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To: NorthWestern Board of Directors  
 From: Kipp D. Orme  
 Subject: Revised Proposed 2003 Operating Plan  
 Date: October 30, 2002

Following is our revised proposed 2003 Operating Plan. While the 2003 proposed plan is largely unchanged from our prior submission, the 2002 forecast that is included in this submission has changed substantially from our prior submission. The following summarizes the major changes and other key points regarding this submission.

#### 2002 Forecast

Our current 2002 EPS forecast is now \$1.99, as compared with the \$2.30 reflected in the prior submission. The current 2002 forecast reflects updated information obtained from the partner entities during our monthly operations reviews that were held subsequent to our October 17 submission to you. The principal reason for the \$0.31 decline in the 2002 forecast involves Expanets. The prior submission reflected a 2002 EPS contribution from Expanets of \$0.28 whereas the current submission reflects \$0.07. The \$0.21 decline in Expanets forecast is the result of Expanets subsequently lowering their 2002 EBITDA forecast from \$80 million to \$71.2 million and increasing their forecasted amortization by \$1 million. The downward revision in Expanets 2002 EBITDA reflects Expanets most current view and forecast as to their expected 2002 results, with this view being received subsequent to our submission to you on October 17, and is due in part to system conversion related billing adjustments being greater than expected and to ongoing soft market conditions. John Charters will speak further to this during the upcoming Board meeting. The remaining forecast reduction is due principally to Blue Dot. While the revised 2002 Blue Dot forecast is consistent with our prior submission, during subsequent discussions with Blue Dot regarding their forecasted 2002 EBITDA of \$13.6 million we have identified risks totaling \$3 million. As Blue Dot has not formally revised their 2002 forecast, and in fact remains committed to their previous forecast, we have chosen to reflect the \$3 million of Blue Dot risk within the NorthWestern Energy (which includes NorthWestern Corporate) section. As with Expanets/John Charters, Dan Newell will speak further to his forecast and 2003 proposed plans during the upcoming Board meetings.

My consolidated perspective on the 2002 EPS forecast of \$1.99 follows:

- The total forecasted EBITDA of \$310 million across the businesses is reasonably balanced in that I believe there is an equal weighting of risk and opportunities in the businesses achieving their operating targets. However, I would say that there is more risk than opportunity as it relates to achieving the \$1.99 2002 forecast.
- The following benefit items totaling \$1.33 are included in the 2002 forecast and will not be recurring in 2003;
  - Tax benefit of \$11.3 million (\$0.38) relating to tax losses generated at Expanets during 2001 that were not reflected in 2001 results due to uncertainty as to current deductibility (note, the uncertainty revolved around the date in which NorthWestern was able to consolidate Expanets' results for tax purposes. During 2001 we assumed April 1, 2001 as the date we were able to effect consolidation. As a result of subsequent work done during 2002 by KPMG, we have support for an earlier effective consolidation date, thus generating the current year benefit).

- Minority interest basis of \$28.4 million (\$0.95), of which \$17.2 million relates to Blue Dot and the remainder to Expanets.
- We are hopefully in the final days of completing a de-consolidation process regarding our investment in CornerStone. The net result of this process, assuming successful completion, will be to eliminate the need to consolidate CornerStone into NorthWestern's financial results post 3<sup>rd</sup> Quarter 2002 (consolidation will be required in the 3<sup>rd</sup> Quarter 2002 in any event) and to significantly enhance NorthWestern's tax filing position relative to its ownership in CornerStone. I will plan to provide you with an update and further commentary on this issue during the Board meeting. Irrespective of our de-consolidation efforts, in conjunction with our 3<sup>rd</sup> Quarter filing requirements, we will need to assess the reliability of our net position in CornerStone. As discussed in our July 31, 2002 press release, our net position in CornerStone is approximately \$58.5 (comprised of our \$26 million assumed interest in CornerStone's working capital loan, approximately \$20 million interest in SYN, Inc. and miscellaneous other intercompany receivables). As disclosed in the press release and subsequent public documents such as our recent equity offering prospectus supplement, "NorthWestern will continue to evaluate CornerStone's financial restructuring and the impact upon creditors of the partnership, including NorthWestern, and would expect to reflect any resulting financial implication in the company's third quarter 2002 results." We are still reviewing what extent of the aforementioned \$58.5 million should be reflected as a charge to discontinued operations and I will provide further update at the Board meeting, though I would tell you ahead of the meeting that it is likely that a substantial portion, if not all, will need to be written off within the 3<sup>rd</sup> Quarter 2002 results.

There are various open items remaining in the 2002 forecast:

- Final confirmation/review of the aforementioned \$11.3 million tax benefit. We intend to reflect approximately half of this benefit in the 3<sup>rd</sup> Quarter results and we will finalize the remaining portion of the tax benefit to be taken during the 4<sup>th</sup> Quarter results.
- Deloitte is still completing their review of the value ascribed to the Blue Dot Class C stock, which translates into minority interest basis at the NorthWestern consolidated level, and potential 142 goodwill impairment. Blue Dot's revised operating projections will put further pressure on this review.
- There are current discussions with AVAYA regarding their obligations under prior TSA's, particularly as it relates to certain past due accounts receivable balances that were transferred to Expanets, and a host of other miscellaneous issues that will need to be resolved prior to closing a third-party working capital facility that would take-out AVAYA's remaining balance. The final resolution of these issues could have implications on Expanets' results. In addition, Expanets is currently reviewing certain intangible and goodwill balances for potential impairment.

#### 2003 Proposed Plan

As previously stated, the attached proposed 2003 Plan is generally consistent with the prior submission.

- From an operating perspective we have tried to be reasonably conservative in our revenue growth assumptions and have focused on various cost initiatives to achieve strong operating income growth targets (growing from \$185.6 million in 2002 to \$264.0 million in 2003). That said, the proposed operating income targets are certainly not without risk and will require substantive incremental operating performance/execution to achieve.

- There are no specific "top-side" contingencies reflected in the 2003 plan. However, we do believe that incremental opportunities exist in the areas of procurement and compensation programs. We are still refining our analysis as to the net opportunity that these programs might offer and will plan to speak to this during the Board meeting, though our current analysis suggests that the range of opportunity as it pertains to procurement is \$6 to \$12 million and \$2 to \$5 million for compensation. It is currently proposed that whatever opportunity exists in these programs serve to de-risk the operating targets which, as noted, are relatively aggressive.
- As discussed and demonstrated in the "Base Level" Liquidity/Financing sheet on page 4 of the Liquidity/Financing section of the Board package, the liquidity provided by the base operating plan is not sufficient absent further financing and/or other liquidity enhancement action. To that end, pages 5 and 6 denote current opportunities that are being aggressively pursued to enhance our liquidity position.

2003 Plan NorthWestern Energy Group *Includes Oilwell Locations.*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Operating Revenues	101,840	98,571	90,128	78,836	72,540	89,278	72,148	70,247	68,323	73,401	85,845	97,787	978,840
Cost of Sales	(52,574)	(50,482)	(46,028)	(37,137)	(31,843)	(29,290)	(32,202)	(30,809)	(28,904)	(33,327)	(42,267)	(50,927)	(464,510)
Gross Margin %	48,266	48,089	45,898	41,499	40,696	38,986	38,886	38,578	39,419	40,074	43,578	46,860	512,330
SG&A	(23,927)	(21,421)	(31,511)	(24,251)	(24,764)	(25,542)	(26,045)	(24,973)	(24,949)	(24,268)	(24,423)	(24,812)	(300,685)
EBITDA	25,440	24,888	13,587	17,248	16,132	14,445	13,641	14,605	14,471	15,806	19,156	22,248	211,845
%													
D/A	(5,427)	(6,430)	(4,848)	(5,903)	(5,903)	(5,805)	(5,805)	(5,805)	(5,805)	(5,805)	(5,805)	(5,805)	(70,249)
Operating Income	18,013	18,238	8,738	11,345	10,229	8,538	8,035	8,800	8,665	10,001	13,350	16,443	141,366
Interest Expense	(14,266)	(16,655)	(13,463)	(13,435)	(13,407)	(13,381)	(13,382)	(13,377)	(13,375)	(13,385)	(13,408)	(13,230)	(164,773)
Interest Income- Intercompany													
Investment Income & Other	170	288	284	287	244	231	222	240	221	213	199	236	2,805
Income before taxes	4,917	1,861	(4,460)	(1,823)	(2,934)	(4,622)	(5,125)	(4,337)	(4,488)	(3,371)	141	3,449	(20,573)
Benefit (provision) for taxes	(1,057)	136	2,283	1,511	1,950	2,613	2,802	2,504	2,548	2,038	736	(586)	17,482
Net Income	3,860	2,020	(2,187)	(313)	(965)	(2,009)	(2,323)	(1,833)	(1,939)	(1,333)	877	2,863	(3,111)
Dividends on Preferred Stock	(2,491)	(2,491)	(2,491)	(2,491)	(2,491)	(2,491)	(2,491)	(2,491)	(2,491)	(2,491)	(2,491)	(2,491)	(29,891)
Earnings on Commstock	1,369	(471)	(4,888)	(2,804)	(3,478)	(4,505)	(4,814)	(4,324)	(4,430)	(3,826)	(1,611)	372	(31,002)

One Call Locators  
Budget Planning Report  
Monthly Financial Summary  
"Confidential" Intended for Internal Management Purposes Only

	January	February	March	April	May	June	July	August	September	October	November	December	Total 2003
Total Revenue	1,546,332	1,346,532	1,615,363	2,567,493	3,027,732	2,743,220	2,793,035	2,731,493	2,539,550	2,523,067	2,151,272	1,483,973	27,169,061
Other COGS	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Margin	1,546,332	1,346,532	1,615,363	2,667,493	3,027,732	2,743,220	2,793,035	2,731,493	2,539,550	2,523,067	2,151,272	1,483,973	27,169,061
O&M Expense	145,164	125,769	142,017	216,750	212,536	216,676	224,155	212,046	178,798	194,577	174,015	135,648	2,178,149
A&G Expense	1,397,802	1,239,246	1,412,880	2,011,343	2,145,910	1,943,844	1,993,471	1,979,688	1,805,783	1,834,450	1,625,982	1,328,555	20,718,954
Utility Admin A&G	20,022	20,022	20,022	20,022	20,022	20,022	20,022	20,022	20,022	20,022	20,022	20,022	240,264
Corporate Overhead	5,767	5,767	5,767	5,767	5,767	5,767	5,767	5,767	5,767	5,767	5,767	5,767	69,200
Other A&G Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Property and Other Taxes	1,789	1,610	1,889	3,419	3,638	3,410	3,344	3,204	3,093	3,118	2,548	1,729	32,791
EBITDA	(24,212)	(45,882)	32,788	410,192	639,858	553,501	546,277	510,766	528,089	465,134	322,938	(7,748)	3,829,703
Depreciation & Amortization	101,295	101,295	101,295	101,295	101,295	104,766	104,766	104,766	104,766	104,766	104,766	104,766	1,239,637
Net Operating Income	(125,507)	(147,177)	(68,507)	308,897	538,563	448,735	441,511	406,000	421,323	360,368	218,172	(112,514)	2,689,866
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment Income & Other	(5,500)	0	(7,500)	0	(21,450)	0	(8,900)	0	(9,676)	0	(13,450)	(12,450)	(78,926)
Net Income before Taxes	(131,007)	(147,177)	(76,007)	308,897	517,114	448,735	432,611	406,000	411,647	360,368	204,722	(124,964)	2,610,940
Income Taxes @ 39.3875%	(51,600)	(57,969)	(29,937)	121,687	203,678	176,745	170,395	159,913	162,138	141,840	80,635	(49,220)	1,028,384
Net Income	(79,407)	(89,208)	(46,070)	187,210	313,436	271,990	262,216	246,087	249,510	218,428	124,087	(75,744)	1,582,556

2004-2007 Revenue Increase 3.00%  
2004-2007 Expense Increase 3.00%

12/31/03 Sale (Input 0 for Yes, 1 for No) 0  
Input Sales Proceeds 6,900

Rev  
YTD Margin 12,946,671  
YTD EBITDA  
YTD SG&A 11,380,424  
YTD Dep. 611,241  
Rev 18,471  
COS 18,171  
G&A 15,847  
EBITDA 2,624  
DA 421  
DE 1,903

1,471,721 23,075,664

2003 Plan	NOR												
	Debits are Positive & Credit are Negative												
NOR Corporate Departments	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Operating Revenues													
Cost of Sales													
Gross Margin													
SG&A Before Mgmt. Fees	2,574	1,982	5,075	2,571	2,606	3,730	3,736	3,730	3,732	3,734	3,784	3,746	41,600
Management Fees	(939)	(939)	(939)	(939)	(939)	(939)	(939)	(939)	(939)	(939)	(939)	(939)	(11,268)
SG&A After Mgmt. Fees	1,635	1,043	4,736	1,632	1,668	2,791	2,797	2,791	2,793	2,795	2,846	2,807	30,334
EBITDA	1,635	1,043	4,736	1,632	1,668	2,791	2,797	2,791	2,793	2,795	2,846	2,807	30,334
%													
DIA	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income	(,635)	1,043	4,736	1,632	1,668	2,791	2,797	2,791	2,793	2,795	2,846	2,807	30,334
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income- Intercompany	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income & Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Income before taxes	1,635	1,043	4,736	1,632	1,668	2,791	2,797	2,791	2,793	2,795	2,846	2,807	30,334
Benefit (provision) for taxes	(629)	(402)	(1,824)	(826)	(642)	(1,075)	(1,077)	(1,075)	(1,075)	(1,076)	(1,096)	(1,081)	(11,079)
tax rate	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	
Net Income - continuing ops	1,006	642	2,913	1,004	1,026	1,717	1,720	1,716	1,718	1,719	1,750	1,726	18,655
Dividends on Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings on Common Stock	1,006	642	2,913	1,004	1,026	1,717	1,720	1,716	1,718	1,719	1,750	1,726	18,655

2003 Plan		NorthWestern Energy Group											
YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Operating Revenues	101,840	108,511	268,837	367,273	439,813	509,089	581,237	651,464	719,807	793,206	879,053	976,840	
Cost of Sales	(52,574)	(103,058)	(148,084)	(185,221)	(218,865)	(246,154)	(278,418)	(309,085)	(337,888)	(371,316)	(413,582)	(484,510)	
Gross Margin %	49,366	65,453	140,553	182,052	222,948	262,934	302,810	342,389	381,919	421,892	465,470	512,330	
SG&A	(23,927)	(45,347)	(78,836)	(101,109)	(125,873)	(151,415)	(177,460)	(202,434)	(227,382)	(251,650)	(278,073)	(300,685)	
EBITDA	25,440	50,108	63,895	80,943	97,075	111,519	125,380	139,965	154,435	170,242	189,387	211,845	
%													
DIA	(5,427)	(12,857)	(17,705)	(23,808)	(29,511)	(35,418)	(41,223)	(47,028)	(52,834)	(58,539)	(64,444)	(70,249)	
Operating Income	19,913	37,251	46,190	57,134	67,563	76,102	84,157	92,937	101,602	111,703	124,943	141,596	
Interest Expense	(14,298)	(30,921)	(44,394)	(57,816)	(71,227)	(84,818)	(97,996)	(111,378)	(124,750)	(138,135)	(151,543)	(164,773)	
Interest Income - Intercompany													
Investment Income & Other	170	468	733	899	1,243	1,474	1,698	1,835	2,150	2,369	2,568	2,805	
Income before taxes	4,917	6,798	2,336	515	(2,420)	(7,042)	(12,166)	(18,503)	(20,892)	(24,183)	(24,022)	(20,573)	
Benefit (provision) for taxes	(1,057)	(918)	1,345	2,856	4,806	7,418	10,220	12,724	15,273	17,308	18,047	17,462	
Net Income - continuing ops	3,860	5,880	3,681	3,371	2,386	377	(1,946)	(3,779)	(5,719)	(6,875)	(5,974)	(3,111)	
Dividends on Preferred Stock	(2,491)	(4,982)	(7,473)	(9,964)	(12,455)	(14,945)	(17,436)	(19,927)	(22,418)	(24,909)	(27,400)	(29,891)	
Earnings on Commstock	1,369	898	(3,790)	(6,593)	(10,069)	(14,569)	(19,383)	(23,707)	(28,137)	(31,783)	(33,374)	(33,002)	



	2003 Plan	All Other											
Debits are Positive & Credit are Negative													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Operating Revenues													
Cost of Sales													
Gross Margin %													
SG&A													
EBITDA %													
D/A	131	131	131	131	131	131	132	132	132	132	132	132	1,583
Operating Income	131	131	131	131	131	131	132	132	132	132	132	132	1,583
Interest Expense	87	87	87	86	85	85	85	85	85	85	85	(119)	823
Interest Income- Intercompany													
Investment Income & Other	(18)	(115)	(94)	(89)	(89)	(67)	(57)	(58)	(53)	(40)	(32)	(66)	(788)
Income before taxes	200	103	124	128	127	149	160	151	164	177	165	(53)	1,620
Benefit (provision) for taxes	(79)	(41)	(49)	(51)	(50)	(59)	(84)	(80)	(85)	(70)	(73)	21	(841)
tax rate	39.5%	39.8%	39.5%	39.8%	39.3%	39.6%	52.5%	52.3%	51.8%	39.5%	44.2%	39.5%	
Net Income - continuing ops	121	62	75	78	77	90	97	91	99	107	112	(32)	978
Dividends on Preferred Stock													
Earnings on Commitment	121	62	75	78	77	90	97	91	99	107	112	(32)	978

Investigation Report  
 Monthly Financial Summary  
 (continued)  
 Detailed See Internal Management Reports Only

Month	January	February	March	April	May	June	July	August	September	October	November	December
Revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Expenses	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Profit	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
...	...	...	...	...	...	...	...	...	...	...	...	...
Total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
...	...	...	...	...	...	...	...	...	...	...	...	...
Total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

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## 2003 Proposed Operating Plan

### NorthWestern Corporation Consolidating Schedule Revised 2003 Plan - Income Statement

(in thousands)	Revised Plan				Originally	Difference
	NEG	Expanets	Blue Dot	Total	Proposed Plan	
Operating Revenues	\$ 976,369	\$ 700,440	\$ 447,085	\$ 2,123,904	\$ 2,091,495	\$ 32,409
Cost of Sales	464,510	379,366	282,121	1,125,997	1,122,718	(3,279)
Gross Margin	511,859	321,074	164,974	997,907	968,777	29,130
	52.4%	45.8%	38.9%	47.0%	46.3%	
Operating Expenses:						
Operating, Maintenance, General & Administrative	261,903	278,890	142,163	682,956	631,234	(51,722)
Loss from non-core Blue Dot locations			7,811	7,811	7,813	2
Corporate General & Administrative	41,800			41,600	19,100	(22,500)
Partner Billings	(3,000)	3,000				
EBITDA	211,356	39,184	15,000	265,540	310,630	(45,090)
Depreciation	69,591	18,834		88,425	95,575	7,150
Amortization	660	24,102		24,762	28,315	3,553
Operating Income	141,105	(3,752)	15,000	152,353	186,740	(34,387)
Investment Income and Other	2,819	27,563	(3,200)	27,182	6,616	20,566
Interest Expense	(164,963)	(7,029)	(1,160)	(173,152)	(175,481)	2,309
Income Before Taxes	(21,039)	16,782	10,840	6,383	17,895	(11,512)
Income Tax (Expense) Benefit	20,132	(9,593)	(4,427)	6,112	1,922	4,190
Income before Minority Interests	(907)	7,189	6,213	12,495	19,817	(7,322)
Minority Interests						
NET INCOME	(907)	7,189	6,213	12,495	19,817	(7,322)
Dividends on Preferred Securities	(29,891)			(29,891)	(29,891)	
Earnings on Common Stock	\$ (30,798)	\$ 7,189	\$ 6,213	\$ (17,396)	\$ (10,074)	\$ (7,322)
Average Common Shares				37,397	37,397	
BASIC EARNINGS PER SHARE				\$ (0.47)	\$ (0.27)	\$ (0.20)

Key Assumption to Base Case

&gt;&gt;&gt; No new equity issued

&gt;&gt;&gt; No common dividend

&gt;&gt;&gt; Operating assumptions for utility consistent with those utilized in original November plan submission to Board, adjusted for year end purchase accounting

&gt;&gt;&gt; Corporate overhead at \$41.6 million reflects increased professional/legal and insurance expense

&gt;&gt;&gt; Receipt of \$65 million for sale of Colstrip in Q3

&gt;&gt;&gt; Only maturing debt is paid down during '03



## Reconciliation of 2003 Plan Difference

**NorthWestern Corporation Consolidating Schedule**  
**Revised 2003 Plan - Income Statement**

(in thousands)	NEG			Expenses			Blue Dot			Total
	A	B	C	D	E	F	G	H	I	
Operating Revenues	\$ -	\$ -	\$ 32,221	\$ -	\$ -	\$ 187	\$ -	\$ -	\$ 1	\$ 32,408
Cost of Sales	-	-	33,633	-	-	(29,912)	-	-	(442)	3,279
Gross Margin	-	-	(1,412)	-	-	30,099	-	-	443	29,130
Operating Expenses:										
Operating, Maintenance, G&A	17,160	-	(1,412)	5,430	-	30,099	-	-	445	51,722
Loss from non-core Blue Dot locations	-	-	-	-	-	-	-	-	-	-
Corporate General & Administrative	-	22,500	-	-	-	-	-	-	-	22,500
Partner Billings	-	-	-	-	-	-	-	-	-	-
EBITDA	(17,160)	(22,500)	-	(5,430)	-	-	-	-	(2)	(45,092)
Depreciation	5,121	-	-	(7,532)	-	-	(4,739)	-	-	(7,150)
Amortization	-	-	-	(3,553)	-	-	-	-	-	(3,553)
Operating Income	(22,281)	(22,500)	-	5,655	-	-	4,739	-	(2)	(34,389)
Investment Income and Other	(3,797)	-	-	-	27,583	-	-	(3,200)	-	20,566
Interest Expense	(2,573)	-	-	-	4,681	-	-	-	201	2,309
Income Before Taxes	(28,651)	(22,500)	-	5,655	32,244	-	4,739	(3,200)	199	(11,514)
Income Tax (Expense) Benefit	11,329	8,688	0	(2,262)	(12,896)	(0)	(1,872)	1,264	(259)	4,196
Income before Minority Interests	(17,322)	(13,613)	0	3,393	19,348	(0)	2,867	(1,936)	(60)	(7,324)
Minority Interests	-	-	-	-	-	-	-	-	-	-
NET INCOME	(17,322)	(13,613)	0	3,393	19,346	(0)	2,867	(1,936)	(60)	(7,324)
Dividends on Preferred Securities	-	-	-	-	-	-	-	-	-	-
Earnings on Common Stock	\$ (17,322)	\$ (13,613)	\$ 0	\$ 3,393	\$ 19,346	\$ (0)	\$ 2,867	\$ (1,936)	\$ (60)	\$ (7,324)
Average Common Shares										37,397
BASIC EARNINGS PER SHARE										\$ (0.20)

## EXPLANATION OF DIFFERENCES:

- A Adjustments primarily relate to the ongoing implications of the changes in purchase accounting methodology relative to the Montana Power acquisition  
 SG&A adjustments are comprised of \$5.3M for change in A&G capitalization, \$10.2M for increased pension costs and \$4.3M for management fees not included in the original plan  
 Depreciation adjustment result of change in regulatory asset accounting  
 Increase in Interest Expense due to increase in interest rate utilized in calculating OF liability
- B Increase due to \$10M increase in estimated professional/legal fees, \$8M partial year increase in estimated D&O insurance premiums and remainder due to additional personnel costs (including pension and other benefits)
- C In addition to miscellaneous minor reclassifications, reflects the inclusion of Electric Sales for Resale Default Supply Revenue which started mid year 2002 and were previously unbudgeted. These revenues are totally offset in supply expense resulting in zero impact to gross margin.
- D Increase in SG&A due to subsequent determination that previously estimated capital expenditures relative to EXPERT must now be expensed (offsetting decrease to capex)  
 Decrease in Depreciation and Amortization due to subsequent write-off of EXPERT system and reduction in intangible asset carrying value.
- E Represents subsequent debt forgiveness by AVAYA
- F Reflects reclassification of \$30 SG&A labor costs from Cost of Sales
- G Represents subsequent write-off of remaining PP&E at year-end.
- H Represents non-cash write-off of remaining net book value of non-core locations
- I Miscellaneous reclassifications and adjustments



## Composition of NEG Plan

### NorthWestern Energy Consolidating Schedule Revised 2003 Plan - Income Statement

<i>(in thousands)</i>	<u>Utility</u>	<u>Corporate</u>	<u>Unregulated</u>	<u>Total NEG</u>
<b>Operating Revenues</b>	\$ 939,408	\$ -	\$ 36,961	\$ 976,369
<b>Cost of Sales</b>	461,807	-	2,703	464,510
<b>Gross Margin</b>	477,601 50.8%	-	34,258	511,859 52.4%
<b>Operating Expenses:</b>				
Operating, Maintenance, General & Administrative	235,064	-	26,839	261,903
Corporate General & Administrative	-	41,600	-	41,600
Partner Billings	8,266	(11,266)	-	(3,000)
<b>EBITDA</b>	<u>234,271</u>	<u>(30,334)</u>	<u>7,419</u>	<u>211,356</u>
Depreciation	67,278	924	1,389	69,591
Amortization	-	660	-	660
<b>Operating Income</b>	<u>\$ 166,993</u>	<u>\$ (31,918)</u>	<u>\$ 6,030</u>	<u>141,105</u>
<b>Investment Income and Other</b>				2,819
<b>Interest Expense</b>				(164,983)
<b>Income Before Taxes</b>				(21,039)
<b>Income Tax (Expense) Benefit</b>				20,132
<b>Income before Minority Interests</b>				(907)
<b>Minority Interests</b>				-
<b>NET INCOME</b>				(907)
<b>Dividends on Preferred Securities</b>				(29,891)
<b>Earnings on Common Stock</b>				<u>\$ (30,798)</u>
<b>Average Common Shares</b>				<u>37,397</u>
<b>BASIC EARNINGS PER SHARE</b>				<u>\$ (0.82)</u>

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2002 Actuals to 2003 Plan

**NorthWestern Energy - Excluding Unregulated  
2002 Actuals to 2003 Plan - Income Statement**

(in thousands)	2002 Actuals	Jan. MT Results	Reclassification	Pro Forma 2002 Total	2003 Plan	Increase (Decrease)	
			A			\$	%
Operating Revenues	\$ 775,369	\$ 63,963	\$ -	\$ 839,332	\$ 939,408	\$ 100,078	B
Cost of Sales	338,731	23,003	9,600	371,334	461,807	90,473	B
Gross Margin	436,538	40,960	(9,600)	467,998	477,601	9,603	2.1%
				55.8%	50.8%		
Operating Expenses:							
Operating, Maintenance, General & Administrative	230,203	19,168	(9,600)	239,771	243,330	3,559	1.5% C
Corporate General & Administrative	35,900	-	-	35,900	41,600	5,700	15.9% D
Corporate allocation elimination	(7,640)	-	-	(7,640)	(8,266)	(526)	
EBITDA	178,175	21,792	-	199,967	200,937	970	0.5%
Depreciation	81,439	4,570	-	86,009	87,278	1,269	-
Operating Income	\$ 116,736	\$ 17,222	\$ -	\$ 133,959	\$ 133,659	\$ (299)	-0.2%

A Reflects reclassification of expenses associated with state mandated conservation programs (USBC) sales for 2002 to be consistent with the 2003 plan to appropriately reflect the pass-through of those costs. There is zero margin associated with this.

B Reflects the full year impact of increased pass-through supply costs since Electric Default Supply started in mid year 2002 related to sales for resale (\$38M) and other electric supply (\$29M). Additionally reflect increases in Gas supply (\$24M).

C Reflects continued savings from the execution of acquisition synergy plan to offset increases in insurance and uncontrollable expenses such as property taxes

D Reflects increases in D&O and other insurance (\$8M) professional/legal fees (\$5M) and personnel costs including pension and benefits (\$4) offset by nonrecurring charges in 2002 of \$11M (primarily related to ESOP and CEO retirement).

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Preliminary DRAFT

**NorthWestern Corporation**  
**1st. Quarter Results Vs. Plan - Income Statement**

(in thousands)	NEG		Expanset		Blue Dot		NorthWestern Consol.	
	Actuals	\$ (M) Plan	Actuals	\$ (M) Plan	Actuals	\$ (M) Plan	Actuals	\$ (M) Plan
Operating Revenues	\$ 296,291	\$ 5,422	\$ 168,849	\$ 1,477	\$ 97,704	\$ (593)	\$ 562,844	\$ 8,306
Cost of Sales	154,875	(6,791)	95,539	(2,064)	64,958	(2,402)	315,372	(11,257)
Gross Margin	141,416	(1,369)	73,310	(587)	32,746	(2,995)	247,472	(4,951)
	47.7%	-1.4%	43.4%	-0.7%	33.5%	-2.8%	44.0%	44.0%
Operating Expenses:								
Operating, Maintenance, General & Administrative	68,057	2,257	67,380	3,035	34,129	980	167,566	6,272
Loss from non-core Blue Dot locations	-	-	-	-	-	-	-	-
Corporate General & Administrative	13,040	-	-	-	-	-	13,040	-
Partner Billings	(750)	-	750	-	-	-	-	-
EBITDA	153,069	1,886	5,150	2,443	(1,383)	(2,015)	56,866	1,321
Depreciation	17,577	(190)	3,586	703	-	-	21,163	513
Amortization	164	1	6,023	3	42	(42)	6,229	(38)
Operating (income) loss	15,328	665	(4,429)	3,154	(1,425)	(2,057)	39,474	2,896
Investment Income and Other	(42)	(775)	27,550	(13)	58	58	27,566	(730)
Interest Expense	(41,605)	2,826	(2,729)	(935)	(289)	15	(44,603)	1,908
Income Before Taxes	3,681	2,750	20,392	2,206	(1,636)	(1,984)	22,437	2,972
Income Tax (Expense) Benefit	2,980	392	(3,692)	4,302	(295)	(140)	(1,007)	4,553
Income before Minority Interests	6,661	3,142	16,700	6,508	(1,931)	(2,124)	21,430	7,525
Minority Interests	-	-	-	-	-	-	-	-
NET INCOME	6,661	3,142	16,700	6,508	(1,931)	(2,124)	21,430	7,525
Dividends on Preferred Securities	(7,662)	(189)	-	-	-	-	(7,662)	(189)
Earnings on Common Stock	\$ (1,001)	\$ 2,953	\$ 16,700	\$ 6,508	\$ (1,931)	\$ (2,124)	\$ 13,768	\$ 7,336
Average Common Shares	37,397	37,397	37,397	37,397	37,397	37,397	37,397	37,397
BASIC EARNINGS PER SHARE	\$ (0.03)	\$ 0.08	\$ 0.45	\$ 0.17	\$ (0.05)	\$ (0.06)	\$ 0.37	\$ 0.20
Discontinued Operations & Extraordinary Items Gain (Loss)	-	-	-	-	(4,849)	(2,276)	(4,849)	(2,276)
BASIC EARNINGS PER SHARE INCLUDING DISCONTINUED	\$ (0.03)	\$ 0.08	\$ 0.45	\$ 0.17	\$ (0.16)	\$ (0.12)	\$ 0.24	\$ 0.14

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Preliminary DRAFT

**NorthWestern Corporation**  
**1st. Quarter Results - Cash Flow Statement**

(in thousands)	NEG Actuals	Expansets Actuals	Blue Dot Actuals	NorthWestern Consol
<b>Operating Activities:</b>				
Net Income	\$ 6,661	\$ 16,700	\$ (6,780)	\$ 16,581
Noncash Items:				
Depreciation and amortization	17,741	9,609	42	27,392
Deferred Income Taxes & Other	954	-	-	954
Loss on Discontinued Operations	-	-	4,849	4,849
Gain on debt extinguishment	-	(27,292)	-	(27,292)
Changes in Working Capital	(36,028)	14,886	3,594	(17,548)
Cash flows provided by operating activities	<u>(10,672)</u>	<u>13,903</u>	<u>1,705</u>	<u>4,936</u>
<b>Investment Activities:</b>				
Property, plant and equipment additions	(15,484)	(647)	(566)	(16,697)
Proceeds from sale of noncurrent investments and assets	12,733	-	-	12,733
Cash flows used in investing activities	<u>(2,751)</u>	<u>(647)</u>	<u>(566)</u>	<u>(3,964)</u>
<b>Financing Activities:</b>				
Dividends on common stock	-	-	-	-
Dividends on trust preferred stock	(7,662)	-	-	(7,662)
(Repayments) of debt, net	(19,495)	-	-	(19,495)
(Repayment) of line of credit	(255,000)	-	-	(255,000)
(Repayments) of subsidiary debt, net	-	(13,956)	3,878	(10,078)
Debt Issued, net	390,000	-	-	390,000
Increase in Restricted Cash	(15,500)	-	-	(15,500)
Financing Fees	(30,000)	-	-	(30,000)
Cash flows provided by (used in) financing activities	<u>62,343</u>	<u>(13,956)</u>	<u>3,878</u>	<u>52,265</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>48,920</b>	<b>(700)</b>	<b>5,017</b>	<b>53,237</b>
<b>Cash and Cash Equivalents, beginning of period</b>	<b>27,585</b>	<b>6,613</b>	<b>11,085</b>	<b>45,283</b>
<b>Cash and Cash Equivalents, end of period</b>	<b><u>\$ 76,505</u></b>	<b><u>\$ 5,913</u></b>	<b><u>\$ 16,082</u></b>	<b><u>\$ 88,500</u></b>

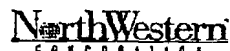
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**NorthWestern Corporation**  
**Current Full Year Forecast Vs. Revised Plan - Income Statement**

(in thousands)	NEG		Expenses		Blue Dot		NorthWestern Consol.	
	Forecast	B (W) Plan	Forecast	B (W) Plan	Forecast	B (W) Plan	Forecast	B (W) Plan
Operating Revenues	\$ 982,413	\$ 3,696	\$ 701,917	\$ 1,477	\$ 446,502	\$ (533)	\$ 2,130,832	\$ 4,580
Cost of Sales	471,507	(6,997)	391,902	(12,538)	265,185	(3,064)	1,146,594	(22,597)
Gross Margin	510,906	(3,301)	310,015	(11,069)	161,317	(3,657)	982,238	(18,017)
	52.0%	-0.5%	44.2%	-1.7%	36.1%	-0.8%	46.1%	46.1%
Operating Expenses:								
Selling, General & Administrative	256,874	5,029	270,135	8,755	141,342	821	668,361	14,805
Loss from non-core Blue Dot locations	-	-	-	-	-	-	-	-
Corporate General & Administrative	41,600	2,349	-	-	-	-	41,600	2,349
Partner Billings	(3,000)	-	3,000	-	-	-	-	-
EBITDA	215,432	4,077	36,880	(2,304)	19,975	(2,836)	272,287	(1,063)
Depreciation	69,769	(178)	18,130	704	-	-	87,899	526
Amortization	679	(19)	24,100	2	-	-	24,779	(17)
Operating Income	144,984	3,880	(5,350)	(1,598)	19,875	(2,836)	139,609	(554)
Investment Income and Other	2,082	(722)	27,550	(13)	57	57	29,689	(678)
Interest Expense	(161,727)	3,237	(10,304)	(3,275)	(1,141)	19	(173,172)	(19)
Income Before Taxes	(14,661)	6,396	11,896	(4,886)	18,691	(2,760)	16,126	(1,251)
Income Tax (Expense) Benefit	32,889	12,733	(17,222)	(7,630)	(8,809)	22	6,858	5,125
Income before Minority Interests	18,228	19,128	(5,326)	(12,516)	10,082	(2,738)	22,984	3,874
Minority Interests	-	-	-	-	-	-	-	-
NET INCOME	18,228	19,128	(5,326)	(12,516)	10,082	(2,738)	22,984	3,874
Dividends on Preferred Securities	(29,891)	-	-	-	-	-	(29,891)	-
Earnings on Common Stock	\$ (11,663)	\$ 19,128	\$ (5,326)	\$ (12,516)	\$ 10,082	\$ (2,738)	\$ (6,907)	\$ 3,874
Average Common Shares	37,397	37,397	37,397	37,397	37,397	37,397	37,397	37,397
BASIC EARNINGS PER SHARE	\$ (0.31)	\$ 0.51	\$ (0.14)	\$ (0.33)	\$ 0.27	\$ (0.07)	\$ (0.18)	\$ 0.10
Discontinued Operations & Extraordinary Items Gain (Loss)	-	-	-	-	(4,495)	2,112	(4,495)	2,112
BASIC EARNINGS PER SHARE INCLUDING DISCONTINUED	\$ (0.31)	\$ 0.51	\$ (0.14)	\$ (0.33)	\$ 0.15	\$ (0.02)	\$ (0.30)	\$ 0.16



## 2003 SUMMARY CASH FLOW PROJECTION - EXCLUDES BLUE DOT AND EXPANETS\*

(\$/Mons)

## 2004 SUMMARY CASH FLOW PROJECTION

Version 1 - Current Forecast Based on Revised Plan

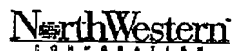
	Forecast										2003 TOTAL	Forecast Q1 04	Forecast Q2 04	Forecast Q3 04	Forecast Q4 04	2004 TOTAL
	Actual YTD MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.						
N. I. Less Non-Cash Items #	18.3	3.9	2.1	(1.0)	(0.0)	1.0	1.3	3.0	6.7	(3.8)	46.9	19.5	17.5	22.7	19.3	78.9
Trust Preferred Dividends	(7.5)	(2.2)	-	(6.2)	(2.3)	(2.3)	(2.3)	(2.2)	(2.2)	(5.2)	(29.8)	(7.5)	(7.5)	(7.5)	(7.5)	(29.8)
Working Cap. Movements	(24.8)	(4.4)	(13.9)	(25.3)	12.7	16.9	(23.6)	18.4	(28.5)	(15.1)	(89.6)	15.4	4.0	(1.5)	(11.6)	6.4
CAPEX	(115.3)	(8.1)	(6.3)	(6.3)	(6.2)	(6.2)	(6.2)	(6.2)	(6.2)	(6.2)	(70.9)	(14.5)	(19.3)	(17.7)	(17.7)	(69.3)
Free Cash Flow	(31.2)	(8.9)	(18.0)	(36.8)	4.2	11.7	(33.7)	(2.8)	(28.0)	(13.7)	(143.5)	12.9	(5.2)	(4.0)	(17.5)	(13.9)
Other Cash (Uses) Sources:																
Prnts. (To) From Expanses																
Prnts. (To) From Blue Dot																
Debt Maturities	(19.5)	(0.3)	-	(1.0)	-	-	(2.8)	-	-	(1.0)	(24.5)	(3.3)	(1.3)	(2.7)	(1.0)	(8.3)
Debt Financing - Net	106.7										106.7					
A/R Financing											50.0					
Colstrip Sale											65.0					
One Call Sale											10.0					
CNO Proceeds											20.0					
MFM Sale											35.0					
Decrease (Increase) in Inv	8.2	-	-	-	-	-	-	-	-	-	8.2	-	-	-	-	-
Net Increase (Decrease) Cash	64.1	(9.2)	(18.0)	(39.8)	4.2	11.7	(36.5)	12.9	(28.0)	165.3	126.8	9.6	(6.5)	(6.7)	(18.5)	(22.1)
Total Cash At End Of Month	157.0	147.8	129.8	90.0	94.3	106.0	69.5	82.4	54.4	219.6	219.6	229.4	222.8	216.1	197.6	197.6
Portion Of Cash Restricted	79.3	77.7	75.3	69.4	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0
Available Cash	77.7	70.1	54.5	20.6	27.3	39.0	2.5	15.4	(12.6)	152.8	152.8	162.4	155.8	149.1	130.6	130.6

\* Excludes Col Strip operating results, which are \$3-\$5M in annual EBITDA, from July 1, 2003 forward.

# Represents Net Income before preferred dividends, adjusted for non-cash items (depr., amort., etc.)

(144)  
30 TOPS  
165 Interest  
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## 2003 SUMMARY CASH FLOW PROJECTION - EXCLUDES BLUE DOT AND EXPANETS\*

(\$Millions)

Version 2 - Same as Version 1, but no assets sales proceeds and TOPRS dividends are deferred

## 2004 SUMMARY CASH FLOW PROJECTION

	Actual YTD	Forecast										2003 TOTAL	Forecast Q1 04	Forecast Q2 04	Forecast Q3 04	Forecast Q4 04	2004 TOTAL
	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.							
N. I. Less Non-Cash Items #	18.3	3.9	2.1	(1.0)	(0.0)	1.0	1.3	3.0	6.7	13.8	46.9	19.5	17.5	22.7	19.3	78.9	
Trust Preferred Dividends	(7.5)	(2.2)	-	-	-	-	-	-	-	-	(9.7)	-	-	-	-	-	
Working Cap. Movements	(24.8)	(4.4)	(13.9)	(28.3)	12.7	16.9	(23.8)	18.4	(28.5)	(16.1)	(88.8)	15.4	4.0	(1.5)	(11.6)	6.4	
CAPEX	(15.3)	(8.1)	(6.3)	(6.3)	(6.2)	(6.2)	(6.2)	(6.2)	(6.2)	(6.2)	(70.9)	(14.5)	(19.3)	(17.7)	(17.7)	(89.3)	
Free Cash Flow	(31.2)	(8.9)	(18.0)	(33.6)	6.5	11.7	(28.5)	15.2	(28.0)	(8.5)	(123.3)	20.4	2.2	3.5	(10.1)	16.0	
Other Cash (Uses) Sources:																	
Pmts. (To) From Expanets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pmts. (To) From Blue Dot	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Maturities	(19.5)	(0.3)	-	(1.0)	-	-	(2.8)	-	-	(1.0)	(24.5)	(3.3)	(1.3)	(2.7)	(1.0)	(8.3)	
Debt Financing - Net	106.7	-	-	-	-	-	-	-	-	-	106.7	-	-	-	-	-	
A/R Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Goldstrip Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
One Call Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CNO Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
MFM Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (Increase) in Inv	8.2	-	-	-	-	-	-	-	-	-	8.2	-	-	-	-	-	
Net Increase (Decrease) Cash	84.1	(9.2)	(18.0)	(34.5)	8.5	11.7	(31.3)	15.2	(28.0)	(8.5)	(33.0)	17.1	0.9	0.8	(11.0)	7.8	
Total Cash At End Of Month	157.0	147.8	129.8	95.3	101.8	113.5	82.2	97.4	69.4	59.8	59.9	77.0	77.9	78.7	67.7	67.7	
Portion Of Cash Restricted	79.3	77.7	75.3	69.4	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	
Available Cash	77.7	70.1	54.5	25.9	34.8	46.5	15.2	30.4	2.4	(7.1)	(7.1)	10.0	10.9	11.7	0.7	0.7	

\* Excludes Col Strip operating results, which are \$3-\$5M in annual EBITDA, from July 1, 2003 forward.

# Represents Net Income before preferred dividends, adjusted for non-cash items (depr., amort., etc.)



**NorthWestern Corporation**  
**Consolidated Summary 5 Year Plan Projections**

Based on Revised Plan, Utility Only starting 1/1/04. CONFIDENTIAL DRAFT for discussion - Subject to Management Revision

<b>Income Statement:</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating Revenues	\$ 2,130.8	\$ 999.0	\$ 1,009.8	\$ 1,020.8	\$ 1,032.3
Gross Margin	982.2	491.6	500.8	510.1	519.6
EBITDA					
NEG	254.0	256.5	264.0	271.7	279.5
Expansets	39.9	-	-	-	-
Blue Dot	20.0	-	-	-	-
Corporate	(41.6)	(27.4)	(27.4)	(27.4)	(27.4)
	<u>272.3</u>	<u>229.1</u>	<u>236.6</u>	<u>244.3</u>	<u>252.1</u>
Operating Income	159.6	163.8	170.0	176.8	183.6
Other Income	29.7	2.4	2.4	2.4	2.4
Interest expense and preferred dividends	(203.1)	(174.4)	(174.8)	(169.3)	(161.9)
Benefit (Provision) for Taxes	6.9	5.2	4.4	5.3	8.0
Discontinued Operations	(4.5)	-	-	-	-
Net Income (Loss)	<u>(11.4)</u>	<u>(3.0)</u>	<u>2.2</u>	<u>15.2</u>	<u>32.1</u>
Earnings Per Share	<u>\$ (0.30)</u>	<u>\$ (0.08)</u>	<u>\$ 0.06</u>	<u>\$ 0.41</u>	<u>\$ 0.86</u>

<b>Cash Flow Statement:</b>					
Net Income before trust preferred dividends	\$ 23.0	\$ 26.9	\$ 32.1	\$ 45.1	\$ 62.0
Loss on discontinued operations	4.5	-	-	-	-
Gain on debt extinguishment	(27.3)	-	-	-	-
Noncash Items	126.5	60.0	73.8	67.4	57.3
Working Capital Movement	(85.0)	4.0	4.3	6.7	4.9
Cash Flows from Operations	<u>41.7</u>	<u>90.9</u>	<u>110.2</u>	<u>119.2</u>	<u>124.2</u>
Financing fees	(30.7)	-	-	-	-
Capital Expenditures	(84.6)	(68.3)	(69.4)	(69.4)	(69.4)
Dividends on Trust Preferred Stock	(29.9)	(29.9)	(29.9)	(29.9)	(29.9)
Free Cash Flow	<u>(103.5)</u>	<u>(6.3)</u>	<u>10.9</u>	<u>19.9</u>	<u>24.9</u>
Asset Sales Proceeds	130.0	175.0	-	-	-
Debt Increase (Paydown) and AR financing, net	(7.5)	(166.7)	(10.9)	(19.9)	(24.9)
Increase (Decrease) in Cash and Investments	<u>\$ 19.0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MT and SD Consolidated Proposed Budget Revisions and Impacts - 2003**SG&A Expense**

Pension Differential - Funding Change MT  
 FAS 87 Pension Expense Increase MT  
 FAS 106 Post Retirement Expense Increase MT  
 LTD Amortization Credit MT  
 Benefit Restoration Expense MT  
 Top Hats Expense MT  
 Capitalized A&G Expense Increase MT  
 Fringe Increase Capitalized - Expense Credit MT  
 CU4 Imputed Loss Amortization MT  
 Rounding Difference from proposed changes MT  
 \*Reduced Utility Admin Costs from HR/IT MT  
 Add Budget for Corporate Overhead (Nor Mgmt Fee) SD  
 Benefits Increase FPP/SISP SD  
 Pension Expense Increase SD  
 Fringe Increase Capitalized - Expense Credit SD  
 \*Reduced Utility Admin Costs from HR/IT SD  
 FAS 106 Amortization Expense  
 Total SG&A Expense Increase

(471,262) ①  
 7,200,000 ② - purchase accounting  
 2,500,008 ③  
 (494,953)  
 1,500,000 - purchase accounting  
 354,218 - purchase accounting  
 5,338,515 - offset in cap exp  
 (2,714,241)  
 (1,461,311)  
 (1,000,000)  
 (536,550)  
 4,268,000  
 2,466,000  
 1,641,600  
 (2,291,580)  
 (198,450)  
 1,500,000 ③  
 17,597,992

**Depreciation and Ammortization**

Depreciation Expense Increase MT

4,313,844 ✓ 1,461

Total Depreciation/Ammortization Expense Increase

4,313,844

Total Net Operating Income Reduction from Planned Revisions21,911,836**Interest Expense**

QF Imputed Interest Expense Change MT

2,799,996

Total Interest Expense Increase

2,799,996

Total Net Income before Tax Impact24,711,832

\*Note HR/IT Utility Admin change already implemented in SAP

MT Reduction to Net Op Income16,028,266SD Reduction to Net Op Income5,883,570Total Change to Net Op Income21,911,836Original Budget Presented Already Changed in SAP for HR/IT reductions735,000Net Change from updated original budget22,646,836

Net Op Original
195,224,537
Net Op Revised
173,312,701
Difference
(21,911,836)

△ to Original already in SAP

- ① Accrual-billed  
 ② FAS 87 benefit cost increase  
 - funding level unchanged  
 - increased misc revenue  
 - increased S&A expense

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NOR006197

**Consolidated Summary (excluding corporate)**  
**Year-End Forecast — Montana and South Dakota**

Consolidated	Fest in SAP	Orig Budget	Revised Fest	Revised Budget	Revised Fcst v Orig Bud		Revised Fcst v Rev Bud	
					Fav/(Un) Orig	% Fav/(Un)	Fav/(Un) Rev	% Fav/(Un)
Revenue	982,412,509	976,368,455	982,412,509	976,368,455	6,044,054	0.62%	6,044,054	0.62%
Cost of Sales	471,508,972	464,509,561	471,508,972	464,509,561	(6,987,411)	-1.48%	(6,987,411)	-1.48%
Gross Margin	510,905,537	511,858,894	510,905,537	511,858,894	(953,357)	-0.19%	(953,357)	-0.19%
SG&A Exp	252,739,535	251,546,551	266,181,794	269,879,543	(14,645,243)	-5.50%	3,687,749	1.39%
EBITDA	258,188,002	260,312,343	244,713,744	241,979,351	(15,598,599)	-8.37%	2,734,393	1.12%
Depreciation	65,619,776	64,352,806	68,702,027	68,666,650	(4,349,221)	-6.33%	(35,377)	-0.05%
Net Op Income	192,546,226	195,959,537	176,011,718	173,312,701	(19,947,821)	-11.33%	2,699,015	1.53%
Interest Exp + Inv	157,388,733	159,131,706	159,488,730	161,931,702	(357,024)	-0.22%	2,442,972	1.53%
NI Before Tax & Quips	35,157,492	36,827,831	16,522,986	11,380,899	(20,304,845)	-122.89%	5,141,987	31.12%

Montana	Fest in SAP	Orig Budget	Revised Fest	Revised Budget	Revised Fcst v Orig Bud		Revised Fcst v Rev Bud	
					Fav/(Un) Orig	% Fav/(Un)	Fav/(Un) Rev	% Fav/(Un)
Revenue	754,630,111	753,010,187	754,630,111	753,010,187	1,619,924	0.21%	1,619,924	0.21%
Cost of Sales	342,459,549	340,368,773	342,459,549	340,368,773	(2,090,776)	-0.61%	(2,090,776)	-0.61%
Gross Margin	412,170,562	412,641,414	412,170,562	412,641,414	(470,852)	-0.11%	(470,852)	-0.11%
SG&A Exp	213,028,397	213,903,183	222,067,978	226,154,155	(8,184,795)	-3.88%	4,086,177	1.84%
EBITDA	199,142,166	198,738,231	190,102,585	186,487,259	(8,835,647)	-4.54%	3,615,325	1.90%
Depreciation	47,449,370	46,180,767	50,531,621	50,494,611	(4,350,854)	-8.81%	(37,010)	-0.07%
Net Op Income	151,692,798	152,557,464	139,570,964	135,992,848	(12,986,501)	-9.30%	3,578,315	2.56%
Interest Exp + Inv	124,749,216	125,637,345	126,849,213	128,437,341	(1,211,868)	-0.96%	1,588,128	1.23%
NI Before Tax & Quips	26,943,580	26,920,119	12,721,751	7,555,307	(14,198,369)	-111.81%	5,166,443	40.81%

South Dakota	Fest in SAP	Orig Budget	Revised Fest	Revised Budget	Revised Fcst v Orig Bud		Revised Fcst v Rev Bud	
					Fav/(Un) Orig	% Fav/(Un)	Fav/(Un) Rev	% Fav/(Un)
Revenue	227,782,399	223,358,268	227,782,399	223,358,268	4,424,131	1.94%	4,424,131	1.94%
Cost of Sales	129,047,424	124,140,788	129,047,424	124,140,788	(4,906,636)	-3.80%	(4,906,636)	-3.80%
Gross Margin	98,734,975	99,217,480	98,734,975	99,217,480	(482,505)	-0.49%	(482,505)	-0.49%
SG&A Exp	39,711,139	37,843,368	44,123,816	43,725,388	(6,480,448)	-14.69%	(398,428)	-0.90%
EBITDA	59,023,836	61,574,112	54,611,159	55,492,092	(6,962,953)	-12.75%	(680,933)	-1.61%
Depreciation	18,170,406	18,172,039	18,170,406	18,172,039	1,633	0.01%	1,633	0.01%
Net Op Income	40,853,430	43,402,073	36,440,753	37,320,053	(6,981,320)	-19.10%	(679,300)	-2.41%
Interest Exp + Inv	32,639,517	33,494,361	32,639,517	33,494,361	854,844	2.62%	854,844	2.62%
NI Before Tax & Quips	8,213,913	9,907,712	3,801,235	3,825,692	(5,106,477)	-180.64%	(24,457)	-0.64%

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## BUDGET REVISIONS AND IMPACTS

March 2003

Current Month March

Year-To-Date March

## CONSOLIDATED

	Month Actual	Orig Budget	Budget Change	Revised Budget	Fav/(Unfav)	% Fav
Revenue	102,774,382	90,008,212	-	90,008,212	12,766,171	14.2%
Cost of Sales	54,878,087	45,028,473	-	45,028,473	(8,849,624)	-21.5%
Gross Margin	47,896,288	44,979,739	-	44,979,739	2,916,547	6.5%
SG&A Exp	27,298,418	22,096,814	4,091,393	26,190,207	(1,108,212)	-4.2%
EBITDA	20,597,867	22,882,925	(4,093,393)	18,789,532	1,808,335	9.6%
Depreciation	4,782,862	5,360,840	(644,149)	4,718,791	(66,071)	-1.4%
Net Op Income	15,815,005	17,521,985	(3,449,244)	14,072,741	1,742,264	12.4%
Interest Exp + Inv	14,218,582	12,972,050	233,333	13,205,383	(1,013,198)	-7.7%
NI Before Tax & Oulps	1,596,423	4,549,935	(3,682,577)	857,356	728,065	84.1%

## CONSOLIDATED

	YTD Actual	Orig Budget	Budget Change	Revised Budget	Fav/(Unfav)	% Fav
Revenue	293,897,319	288,519,815	-	288,519,815	5,377,703	1.9%
Cost of Sales	154,875,194	148,084,479	-	148,084,479	(6,780,715)	-4.6%
Gross Margin	139,022,125	140,435,136	-	140,435,136	(1,413,012)	-1.0%
SG&A Exp	68,124,628	64,236,132	4,682,284	68,918,415	783,786	1.2%
EBITDA	70,897,496	76,199,005	(4,882,284)	71,516,721	(618,225)	-0.8%
Depreciation	17,348,621	16,079,551	1,231,593	17,311,144	(35,377)	-0.2%
Net Op Income	53,550,975	60,118,454	(5,913,877)	54,205,577	(854,603)	-1.2%
Interest Exp + Inv	41,174,281	42,917,283	699,959	43,817,262	2,442,972	5.6%
NI Before Tax & Oulps	12,376,684	17,202,191	(6,613,878)	10,588,315	1,788,369	16.8%

Current Month March

Montana

	Month Actual	Orig Budget	Budget Change	Revised Budget	Fav/(Unfav)	% Fav
Revenue	75,942,865	66,924,319	-	66,924,319	8,018,546	13.5%
Cost of Sales	38,458,639	30,771,329	-	30,771,329	(5,686,310)	-18.5%
Gross Margin	39,486,226	36,152,990	-	36,152,990	3,333,236	9.2%
SG&A Exp	21,965,423	18,859,563	3,300,425	22,158,988	194,566	0.9%
EBITDA	17,520,803	17,293,428	(3,300,425)	13,893,001	3,627,802	25.2%
Depreciation	3,258,488	3,846,331	(644,148)	3,202,182	(56,317)	-1.8%
Net Op Income	14,262,304	13,447,095	(2,666,276)	10,790,819	3,471,485	32.2%
Interest Exp + Inv	11,822,458	10,503,250	233,333	10,736,583	(885,873)	-8.3%
NI Before Tax & Oulps	2,839,848	2,943,846	(2,889,509)	84,237	2,585,611	4767.3%

Year-To-Date March

Montana

	YTD Actual	Orig Budget	Budget Change	Revised Budget	Fav/(Unfav)	% Fav
Revenue	213,667,073	212,047,149	-	212,047,149	1,619,924	0.8%
Cost of Sales	101,846,710	99,555,834	-	99,555,834	(2,090,776)	-2.1%
Gross Margin	112,020,364	112,491,215	-	112,491,215	(470,852)	-0.4%
SG&A Exp	55,200,916	53,585,628	3,211,391	56,797,018	1,596,102	2.8%
EBITDA	56,819,447	58,905,568	(3,211,391)	55,604,197	1,125,250	2.0%
Depreciation	12,807,596	11,538,993	1,231,593	12,770,586	(37,010)	-0.3%
Net Op Income	44,011,851	47,366,595	(4,442,984)	42,923,611	1,088,240	2.5%
Interest Exp + Inv	30,728,850	31,618,979	699,999	32,316,978	1,588,128	4.9%
NI Before Tax & Oulps	13,283,001	15,749,618	(5,142,983)	10,606,633	2,676,368	25.2%

Current Month March

South Dakota

	Month Actual	Orig Budget	Budget Change	Revised Budget	Fav/(Unfav)	% Fav
Revenue	26,811,518	23,083,893	-	23,083,893	3,747,625	18.2%
Cost of Sales	18,421,458	14,257,144	-	14,257,144	(4,164,314)	-29.2%
Gross Margin	8,410,060	8,826,749	-	8,826,749	(416,689)	-4.7%
SG&A Exp	6,332,996	3,237,251	792,968	4,030,218	(1,302,778)	-32.3%
EBITDA	3,077,064	5,589,498	(792,968)	4,796,531	(1,719,467)	-35.8%
Depreciation	1,524,383	1,514,809	-	1,514,809	(9,754)	-0.6%
Net Op Income	1,552,701	4,074,689	(792,968)	3,281,922	(1,729,221)	-52.7%
Interest Exp + Inv	2,598,125	2,468,800	-	2,468,800	(127,325)	-5.2%
NI Before Tax & Oulps	(1,043,424)	1,606,889	(792,968)	813,122	(1,858,546)	-228.3%

Year-To-Date March

South Dakota

	YTD Actual	Orig Budget	Budget Change	Revised Budget	Fav/(Unfav)	% Fav
Revenue	80,230,248	76,472,466	-	76,472,466	3,757,782	4.8%
Cost of Sales	53,228,485	48,528,545	-	48,528,545	(4,699,940)	-9.7%
Gross Margin	27,001,761	27,943,921	-	27,943,921	(942,160)	-3.4%
SG&A Exp	12,923,712	10,650,504	1,470,893	12,121,396	(802,316)	-6.8%
EBITDA	14,078,049	17,293,417	(1,470,893)	15,822,525	(1,744,476)	-11.0%
Depreciation	4,538,825	4,540,558	-	4,540,558	1,633	0.0%
Net Op Income	9,539,122	12,752,859	(1,470,893)	11,281,967	(1,742,843)	-15.4%
Interest Exp + Inv	10,445,440	11,390,284	-	11,390,284	854,844	7.6%
NI Before Tax & Oulps	(906,317)	1,452,575	(1,470,893)	(18,317)	(888,000)	-4847.8%

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## Year-End Forecast

## CONSOLIDATED

	Est In SAP	Orig Budget	Budget Change	Revised Budget	April-Dec Est Changes	Revised Fcst	Revised Fcst Fav/(Unfav) Orig	Revised Fcst Fav/(Unfav) Rev
Revenue	982,412,509	976,368,455	-	976,368,455	-	982,412,509	6,044,054	6,044,054
Cost of Sales	471,506,972	464,509,561	-	464,509,561	-	471,506,972	(6,997,411)	(6,997,411)
Gross Margin	510,905,537	511,858,894	-	511,858,894	-	510,905,537	(953,357)	(953,357)
SG&A Exp	252,739,535	251,548,551	18,332,992	269,879,543	13,452,259	266,191,794	(14,845,243)	3,887,748
EBITDA	258,166,002	260,312,343	(18,332,992)	241,879,351	(13,452,259)	244,713,744	(15,598,599)	2,734,393
Depreciation	65,619,776	64,352,806	4,313,844	68,666,650	3,082,251	68,702,027	(4,349,221)	(35,377)
Net Op Income	182,546,226	195,959,537	(22,848,835)	173,312,701	(16,534,510)	176,011,716	(19,947,821)	2,699,015
Interest Exp + Inv	157,388,733	159,131,706	2,799,995	161,931,702	2,099,997	159,488,730	(357,024)	2,442,972
NI Before Tax & Oulps	35,157,482	36,827,831	(25,446,832)	11,380,999	(18,634,507)	16,522,986	(20,304,845)	5,141,987

Year-End Forecast  
Merrill

	Est In SAP	Orig Budget	Budget Change	Revised Budget	April-Dec Est Changes	Revised Fcst	Revised Fcst Fav/(Unfav) Orig	Revised Fcst Fav/(Unfav) Rev
Revenue	754,630,111	753,010,187	-	753,010,187	-	754,630,111	1,619,924	1,619,924
Cost of Sales	342,459,548	340,368,773	-	340,368,773	-	342,459,548	(2,090,776)	(2,090,776)
Gross Margin	412,170,562	412,641,414	-	412,641,414	-	412,170,562	(470,852)	(470,852)
SG&A Exp	213,028,397	213,803,183	12,250,972	226,154,155	9,039,581	222,067,978	(8,164,786)	4,086,177
EBITDA	199,142,166	198,738,231	(12,250,972)	188,487,259	(9,039,581)	190,102,585	(8,635,647)	3,615,326
Depreciation	47,449,370	46,180,767	4,313,844	50,494,611	3,082,251	50,531,621	(4,350,854)	(37,010)
Net Op Income	151,692,796	152,557,464	(18,564,816)	135,992,648	(12,121,832)	139,570,964	(12,966,501)	3,578,315
Interest Exp + Inv	124,748,216	125,837,345	2,799,995	128,437,341	2,069,997	126,649,213	(1,211,868)	1,588,128
NI Before Tax & Oulps	26,943,580	26,720,119	(19,364,812)	7,555,307	(14,221,829)	12,721,751	(14,198,369)	5,168,443

Year-End Forecast  
South Dakota

	Est In SAP	Orig Budget	Budget Change	Revised Budget	April-Dec Est Changes	Revised Fcst	Revised Fcst Fav/(Unfav) Orig	Revised Fcst Fav/(Unfav) Rev
Revenue	227,782,399	223,358,268	-	223,358,268	-	227,782,399	4,424,131	4,424,131
Cost of Sales	129,047,424	124,140,788	-	124,140,788	-	129,047,424	(4,906,636)	(4,906,636)
Gross Margin	98,734,975	99,217,480	-	99,217,480	-	98,734,975	(482,505)	(482,505)
SG&A Exp	39,711,139	37,843,368	8,082,020	43,725,388	4,412,678	44,123,616	(6,480,448)	(398,428)
EBITDA	59,023,836	61,574,112	(6,082,020)	55,492,092	(4,412,678)	54,611,169	(6,962,953)	(880,933)
Depreciation	18,170,406	18,172,039	-	18,172,039	-	18,170,406	1,633	1,633
Net Op Income	40,853,430	43,402,073	(6,082,020)	37,320,053	(4,412,678)	35,440,753	(6,961,320)	(879,300)
Interest Exp + Inv	32,639,517	33,494,361	-	33,494,361	-	32,639,517	854,844	854,844
NI Before Tax & Oulps	8,213,913	9,907,712	(6,082,020)	3,825,692	(4,412,678)	3,801,235	(6,106,477)	(24,457)

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NorthWestern Energy-Montana  
March Budget Revision-Change by Month

The Net Budget Change Table in row 63

	Total	January	February	March	April	May	June	July	August	September	October	November	December	March YTD
Original Budget														
Pension Differential	(7,299,997)	133,333	133,333	(2,091,687)	(606,333)	(606,333)	(606,333)	(606,333)	(606,333)	(606,333)	(606,333)	(606,333)	(606,333)	(1,825,000)
MTX-Pension Differential	4,500,000	0	0	1,125,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	1,125,000
Natural Gas Unbilled	1	909,789	854,398	2,200,957	1,079,806	1,231,121	867,312	335,295	(196,104)	(1,124,918)	(2,060,014)	(2,448,917)	(1,250,724)	3,765,144
Gas Supply-Trucker	0	(545,053)	(391,454)	(1,320,611)	(648,811)	(737,801)	(400,750)	(196,545)	116,583	656,841	1,233,656	1,467,782	765,962	(2,257,118)
Net Total Revenue	1,200,640	498,069	462,976	(1,120,341)	(1,919,344)	(259,822)	(231,228)	(261,538)	(129,621)	(747,132)	(1,686,261)	(1,180,488)	(277,699)	808,026
Revised Budget														
FAS 87	15,000,000	508,333	508,333	2,733,334	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	3,750,000
FAS 106	3,399,996	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	849,999
LTD Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fringe Capital Credit	(1,876,327)	(103,198)	(112,879)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(365,883)
Capitalized A/G	(14,435,437)	(781,511)	(905,378)	(911,723)	(911,005)	(1,134,302)	(1,099,485)	(1,182,379)	(1,364,182)	(1,306,505)	(1,791,767)	(1,712,806)	(1,315,362)	(2,578,614)
MTX-Benefit Restoration	(1,500,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(375,000)
MTX-FAS 87	(1,700,000)	(600,000)	(600,000)	(1,725,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(2,825,000)
MTX-FAS 106	(2,900,000)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(725,001)
MTX-FAS 106 Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MTX-Top Hats	(354,218)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(86,554)
Administrative Budgets	(536,550)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(134,138)
CU4 Imported Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Total Revenue	1,200,640	498,069	462,976	(1,120,341)	(1,919,344)	(259,822)	(231,228)	(261,538)	(129,621)	(747,132)	(1,686,261)	(1,180,488)	(277,699)	808,026
Depreciation	46,180,784	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	11,545,181
Net Total Depreciation	46,180,784	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	3,848,397	11,545,181
Net Total Revenue	1,200,640	498,069	462,976	(1,120,341)	(1,919,344)	(259,822)	(231,228)	(261,538)	(129,621)	(747,132)	(1,686,261)	(1,180,488)	(277,699)	808,026
Revised Budget														
Pension Differential	(7,771,258)	133,333	133,333	(2,209,481)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(1,942,814)
MTX-Pension Differential	4,500,000	0	0	1,125,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	1,125,000
Natural Gas Unbilled	1	909,789	854,398	2,200,957	1,079,806	1,231,121	867,312	335,295	(196,104)	(1,124,918)	(2,060,014)	(2,448,917)	(1,250,724)	3,765,144
Gas Supply-Trucker	0	(545,053)	(391,454)	(1,320,611)	(648,811)	(737,801)	(400,750)	(196,545)	116,583	656,841	1,233,656	1,467,782	765,962	(2,257,118)
Net Total Revenue	1,200,640	498,069	462,976	(1,120,341)	(1,919,344)	(259,822)	(231,228)	(261,538)	(129,621)	(747,132)	(1,686,261)	(1,180,488)	(277,699)	808,026
Revised Budget														
FAS 87	15,000,000	508,333	508,333	2,733,334	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	3,750,000
FAS 106	3,399,996	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	849,999
LTD Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fringe Capital Credit	(1,876,327)	(103,198)	(112,879)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(150,108)	(365,883)
Capitalized A/G	(14,435,437)	(781,511)	(905,378)	(911,723)	(911,005)	(1,134,302)	(1,099,485)	(1,182,379)	(1,364,182)	(1,306,505)	(1,791,767)	(1,712,806)	(1,315,362)	(2,578,614)
MTX-Benefit Restoration	(1,500,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(375,000)
MTX-FAS 87	(1,700,000)	(600,000)	(600,000)	(1,725,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(975,000)	(2,825,000)
MTX-FAS 106	(2,900,000)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(725,001)
MTX-FAS 106 Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MTX-Top Hats	(354,218)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(86,554)
Administrative Budgets	(536,550)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(134,138)
CU4 Imported Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Total Revenue	1,200,640	498,069	462,976	(1,120,341)	(1,919,344)	(259,822)	(231,228)	(261,538)	(129,621)	(747,132)	(1,686,261)	(1,180,488)	(277,699)	808,026
Depreciation	50,480,808	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	12,776,764
Net Total Depreciation	50,480,808	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	4,788,268	12,776,764
Net Total Revenue	1,200,640	498,069	462,976	(1,120,341)	(1,919,344)	(259,822)	(231,228)	(261,538)	(129,621)	(747,132)	(1,686,261)	(1,180,488)	(277,699)	808,026

**NorthWestern Energy-Montana**  
**March Budget Revision-Change by Month**

The Net Budget Change tells in row 62:

Original Budget	Total	January	February	March	April	May	June	July	August	September	October	November	December	March YTD
<b>Net Budget Change - Revised - moved FAS 108 Amort up to SG&amp;A - for presentation, include pension differential in SG&amp;A</b>														
Pension Differential	(471,282)	0	0	(117,814)	(39,272)	(39,272)	(39,272)	(39,272)	(39,272)	(39,272)	(39,272)	(39,272)	(39,272)	(117,814)
MTX-Pension Differential	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Natural Gas Unbilled	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas Supply-Tracker	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>(471,282)</b>	<b>0</b>	<b>0</b>	<b>(117,814)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(117,814)</b>
FAS 87	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAS 108	1,100,004	0	0	275,001	81,667	81,667	81,667	81,667	81,667	81,667	81,667	81,667	81,667	275,001
LTD Amortization	(494,953)	0	0	(123,739)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(123,739)
Frtyce Capital Credit	(2,714,241)	0	(1)	0	(269,739)	(303,456)	(303,456)	(303,456)	(303,456)	(303,456)	(303,456)	(303,456)	(303,456)	(1)
Capitalized AAG	5,358,518	0	0	804,718	183,252	315,578	280,761	343,555	484,450	518,781	781,137	854,082	124,083	804,718
MTX-Benefit Restoration	1,500,000	0	125,000	250,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,800,000
MTX-FAS 87	7,200,000	0	0	1,800,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	3,500,000
MTX-FAS 108	1,400,004	0	0	350,001	116,667	116,667	116,667	116,667	116,667	116,667	116,667	116,667	116,667	350,001
MTX-FAS 108 Amortization	1,500,000	0	0	375,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	375,000
MTX-Top Htg	354,218	0	29,518	59,036	29,518	29,518	29,518	29,518	29,518	29,518	29,518	29,518	29,518	89,554
Administrative Budgets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CUA Imputed Loss	(1,481,311)	0	(243,551)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(365,327)
Benefit Reduction Rounding	(1,000,000)	0	0	(250,000)	(83,333)	(83,333)	(83,333)	(83,333)	(83,333)	(83,333)	(83,333)	(83,333)	(83,333)	(250,000)
<b>Total SG&amp;A</b>	<b>1,100,004</b>	<b>0</b>	<b>(243,551)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(121,776)</b>	<b>(365,327)</b>
Depreciation	4,313,844	837,871	837,871	(844,149)	410,531	410,531	410,531	308,443	308,443	308,443	308,443	308,443	308,443	1,331,581
<b>Total Depreciation</b>	<b>4,313,844</b>	<b>837,871</b>	<b>837,871</b>	<b>(844,149)</b>	<b>410,531</b>	<b>410,531</b>	<b>410,531</b>	<b>308,443</b>	<b>308,443</b>	<b>308,443</b>	<b>308,443</b>	<b>308,443</b>	<b>308,443</b>	<b>1,331,581</b>
<b>Total Operating Expenses</b>	<b>2,414,794</b>	<b>(117,814)</b>	<b>(215,794)</b>	<b>(233,631)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>	<b>(39,272)</b>
Change in DD of Interest	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)
Change in Wtd of Interest	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)	(1,481,311)
<b>Net Budget Change Annual</b>	<b>16,564,816</b>													
<b>Admin Budgets-Charged in SAP</b>	<b>(536,550)</b>													
<b>Net Budget Change Total</b>	<b>16,028,266</b>													
<b>QF Interest Added</b>	<b>7,718,595</b>													

March Revision by Month New

NOR006202

**NorthWestern Energy-Montana**  
**March Budget Revision-Change by Month**

The Net Budget Change falls in row 62.

Original Budget	Total	January	February	March	April	May	June	July	August	September	October	November	December	March YTD
Pension Differential	1,600,000	133,333	133,333	133,333	133,333	133,333	133,333	133,333	133,333	133,333	133,333	133,333	133,333	400,000
MTX-Pension Differential	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Natural Gas Unbilled	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas Supply-Tracker	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>1,600,000</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>133,333</b>	<b>400,000</b>
<b>Expenses</b>	<b>(7,700)</b>													
FAS 87	6,099,996	508,333	508,333	508,333	508,333	508,333	508,333	508,333	508,333	508,333	508,333	508,333	508,333	1,524,999
FAS 106	3,399,996	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	283,333	849,999
LTD Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fringe Capital Credit	(1,876,327)	(183,198)	(112,378)	(150,108)	(150,105)	(168,869)	(168,869)	(168,869)	(187,534)	(168,869)	(206,398)	(168,869)	(121,961)	(365,883)
Capitalized A&G	(14,435,437)	(761,541)	(905,378)	(911,725)	(911,005)	(1,134,302)	(1,099,485)	(1,162,379)	(1,394,182)	(1,335,505)	(1,791,787)	(1,712,806)	(1,315,382)	(2,578,614)
MTX-Benefit Restoration	(1,500,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(375,000)
MTX-FAS 87	(7,200,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(1,800,000)
MTX-FAS 106	(2,300,000)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(241,667)	(725,001)
MTX-Top Hats	(354,218)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(29,518)	(88,554)
Administrative Budgets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CU4 Imputed Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>(22,776,000)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(10,445,397)</b>
<b>Depreciation</b>	<b>46,180,764</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>11,545,191</b>
MTX-FAS 106 Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Depreciation</b>	<b>46,180,764</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>3,848,397</b>	<b>11,545,191</b>
<b>Total Q4 Imputed Interest</b>	<b>(2,240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(960,000)</b>

<b>Revised Budget</b>														
Pension Differential	(7,771,259)	133,333	133,333	(2,209,481)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(647,605)	(1,942,814)
MTX-Pension Differential	(4,500,000)	0	0	1,125,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	1,125,000
Natural Gas Unbilled	0	809,769	654,398	2,200,857	1,079,898	1,231,121	667,312	335,295	(195,104)	(1,124,918)	(2,060,014)	(2,446,917)	(1,250,724)	3,765,144
Gas Supply-Tracker	0	(545,053)	(591,454)	(1,320,811)	(848,611)	(737,801)	(400,750)	(196,845)	116,583	656,841	1,233,656	1,467,752	765,862	(2,257,118)
<b>Total Revenue</b>	<b>(13,271,259)</b>	<b>398,039</b>	<b>398,039</b>	<b>(2,209,481)</b>	<b>(647,605)</b>	<b>(647,605)</b>	<b>(647,605)</b>	<b>(647,605)</b>	<b>(647,605)</b>	<b>(647,605)</b>	<b>(647,605)</b>	<b>(647,605)</b>	<b>(647,605)</b>	<b>(2,990,212)</b>
<b>Expenses</b>	<b>(7,200)</b>													
FAS 87	15,000,000	508,333	508,333	2,733,334	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	3,750,000
FAS 106	3,500,000	283,333	283,333	558,334	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	1,125,000
LTD Amortization	(494,553)	0	0	(123,739)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(41,246)	(123,739)
Fringe Capital Credit	(4,590,580)	(103,198)	(112,580)	(150,108)	(419,845)	(472,325)	(472,325)	(472,325)	(534,804)	(472,325)	(577,286)	(472,325)	(341,124)	(365,884)
Capitalized A&G	(10,050,922)	(781,511)	(905,378)	(1,010,009)	(727,753)	(818,724)	(818,724)	(818,724)	(809,692)	(818,724)	(1,000,660)	(818,724)	(591,299)	(1,773,898)
MTX-Benefit Restoration	0	(125,000)	(125,000)	125,000	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(1,125,000)
MTX-FAS 87	(4,600,000)	(600,000)	(600,000)	75,000	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)
MTX-FAS 106	(1,500,000)	(241,667)	(241,667)	108,334	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(375,000)
MTX-Top Hats	0	(29,518)	(29,518)	29,518	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	0
Administrative Budgets	(538,550)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(44,713)	(134,138)
CU4 Imputed Loss	(1,481,811)	0	(243,651)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(121,776)	(395,327)
<b>Total Expenses</b>	<b>(22,800,000)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(3,445,397)</b>	<b>(10,445,397)</b>
<b>Depreciation</b>	<b>50,494,808</b>	<b>4,786,268</b>	<b>4,786,268</b>	<b>3,204,248</b>	<b>4,258,928</b>	<b>4,258,928</b>	<b>4,258,928</b>	<b>4,156,840</b>	<b>4,156,840</b>	<b>4,156,840</b>	<b>4,156,840</b>	<b>4,156,840</b>	<b>4,156,840</b>	<b>12,776,784</b>
MTX-FAS 106 Amortization	0	0	0	375,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	375,000
<b>Total Depreciation</b>	<b>50,494,808</b>	<b>4,786,268</b>	<b>4,786,268</b>	<b>3,579,248</b>	<b>4,383,928</b>	<b>4,383,928</b>	<b>4,383,928</b>	<b>4,281,840</b>	<b>4,281,840</b>	<b>4,281,840</b>	<b>4,281,840</b>	<b>4,281,840</b>	<b>4,281,840</b>	<b>13,151,784</b>
<b>Total Q4 Imputed Interest</b>	<b>(2,240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>(960,000)</b>

②  
 \$0.8 in 2007  
 consistency methodology.  
 \$0. \$5,000,000  
 in past

March Revision by Month MT

Draft - For Discussion



## 2003 Proposed Operating Plan

# NorthWestern Corporation Consolidating Schedule 2003 Plan - Income Statement

(in thousands)	NWE	Expanets	Blue Dot	Total
Operating Revenues	\$ 944,148	\$ 700,253	\$ 447,094	\$ 2,091,495
Cost of Sales	430,877	409,278	282,563	1,122,718
Gross Margin	513,271	290,975	164,531	968,777
	54.4%	41.6%	36.8%	46.3%
Operating Expenses:				
Selling, General & Administrative	246,155	243,361	141,718	631,234
Loss from non-core Blue Dot locations			7,813	7,813
Corporate General & Administrative	19,100	41.6		19,100
Partner Billings	(3,000)	3,000		
EBITDA	251,016	21.1	15,000	310,630
Depreciation	84,470	69.6	4,739	95,575
Amortization	660	27,655		28,315
Operating Income	185,886	141.5	10,261	186,740
Investment Income and Other	6,616	3.0		6,616
Interest Expense	(162,390)	14.9	(1,361)	(175,461)
Income Before Taxes	30,112	(20.4)	8,900	17,895
Income Tax (Expense) Benefit	(85)	5.87	(3,560)	1,922
Income before Minority Interests	30,027	(15,550)	5,340	19,817
Minority Interests				
NET INCOME	30,027	(15,550)	5,340	19,817
Dividends on Preferred Securities	(29,891)			(29,891)
Earnings on Common Stock	\$ 136	\$ (15,550)	\$ 5,340	\$ (10,074)
Average Common Shares				37,397
BASIC EARNINGS PER SHARE				\$ (0.27)
EBITDA Increase (Decrease)				
Cap EX Decrease (Increase)				
Working Cap/Purch. Accty - Cash Increase (Decr.)				
Key Assumption to Base Case				
>>> No new equity issued				
>>> No common dividend				
>>> Operating assumptions for utility consistent with those utilized in original November plan submission to Board				
>>> Annual corporate overhead at \$19.1 million				
>>> Additional liquidity events: \$50 million Accounts Receivable factoring in Q1 and receipt of \$65 million for sale of Colstrip in Q3				
>>> Only maturing debt is paid down during '03. Incremental cash totalling \$188 million is generated during '03 and will be reflected on the balance sheet as cash and investments (earning 2.5% pre-tax income).				

Pre-tax net  $\Delta$  = 24.5 Energy  
 22.5 Corp expense  
 3.3 Int expense/income, net  
50.3

NorthWestern Corporation  
NWE Budget Reconciliation  
2003

*Essentially - Feb NOR BOD*

Income (Expense)	3/21/03			Original Budget	Revisions	Revised Budget	Change	
	Original Budget	Topside Revisions	Management Base Case				Original Budget	Revised Forecast
EBITDA	198,199	(2,540)	195,659	198,199	(11,712)	186,487	-	(9,172) A
O&A	(48,181)	(9,480)	(55,641)	(48,181)	(4,314)	(50,495)	-	5,148
Operating Income	152,018	(12,000)	140,018	152,018	(16,026)	135,992	-	(4,026)
Interest Expense	(127,575)	(2,001)	(130,566)	(127,575)	(2,800)	(130,375)	-	191
Investment Income & Other	1,837	-	1,937	1,937	-	1,937	-	-
Pre Tax Income	25,381	(14,991)	11,390	25,381	(18,828)	7,553	-	(3,835)
Cash (Use) Source								
Capital Expenditures	(51,000)	(4,400)	(55,400)	(51,000)	(1,778)	(52,778)	-	2,824
Purchase Accounting Reserves	(8,637)	-	(8,637)	(8,637)	8,637	-	-	8,637
Total Cash Impact								89 A+B

Income (Expense)	3/21/03			Original Budget	Revisions	Revised Budget	Change	
	Original Budget	Topside Revisions	Management Base Case				Original Budget	Revised Forecast
EBITDA	61,182	-	61,182	61,182	(5,690)	55,492	-	(5,690) A
O&A	(18,172)	-	(18,172)	(18,172)	-	(18,172)	-	-
Operating Income	43,010	-	43,010	43,010	(5,690)	37,320	-	(5,690)
Interest Expense	(33,575)	-	(33,575)	(33,575)	-	(33,575)	-	-
Investment Income & Other	81	-	81	81	-	81	-	-
Pre Tax Income	9,516	-	9,516	9,516	(5,690)	3,826	-	(5,690)
Cash (Use) Source								
Capital Expenditures	(14,000)	-	(14,000)	(14,000)	(2,292)	(16,292)	-	(2,292) B
Working Capital	-	-	-	5,200	-	5,200	(5,200)	5,200 B
Total Cash Impact								(2,781) A+B

Income (Expense)	3/21/03			Original Budget	Revisions	Revised Budget	Change	
	Original Budget	Topside Revisions	Management Base Case				Original Budget	Revised Forecast
EBITDA	258,381	(2,540)	255,841	258,381	(17,402)	241,980	-	(14,882) A
O&A	(64,353)	(9,480)	(73,813)	(64,353)	(4,314)	(68,667)	-	5,148
Operating Income	195,028	(12,000)	183,028	195,028	(21,716)	173,313	-	(9,718)
Interest Expense	(181,180)	(2,001)	(184,141)	(181,180)	(2,800)	(183,950)	-	191
Investment Income & Other	2,018	-	2,018	2,018	-	2,018	-	-
Pre Tax Income	35,897	(14,991)	20,906	35,897	(24,518)	11,381	-	(9,525)
Cash (Use) Source								
Capital Expenditures	(85,000)	(4,400)	(89,400)	(85,000)	(4,087)	(89,087)	-	333
Purchase Accounting Reserves / WC	(8,637)	-	(8,637)	(8,637)	8,637	-	-	8,637
Total Cash Impact								(2,992) A+B

24.5 Pre-tax

5.3 Capitalized A&S  
4.3 SD/NE Mgmt Fee  
10.2 Pension / PPP / SISA  
4.3 Depr  
2.8 QF Interest  
(2.2) Admin reductions + CU 4  
24.7



NorthWestern Corporation  
 NOR Departmental 2003 Plan  
 Administrative & General Expenses  
 February 2003 Update - Reconciliation to prior BASE PLAN  
 (in Thousands)

Prior 2003 Base Plan

- 1 CEO (Van Roden-10 1/2 months)
- 2 CEO (Drook plane use - Increase from \$500K to \$750k)
- 3 CEO (Forinash, net misc)
- 4 Treasurer
- 5 Finance / Procurement, net of adds and severance
- 6 D&O and other general insurance increase
- 7 HR (Adam)
- 8 Legal outside services (increase from \$200k to \$1.2MM)
- 9 Legal (Young)
- 10 Coloumb severance
- 11 Risk management true-up
- 12 MFM administration expensed
- 13 Other, net

Updated Base Plan

19,100 BOD Plan - Feb  
 2,274 Restructuring  
 \$ 21,374

1,231  
 250  
 (40) \*  
 (374) \*  
 (572) \*  
 1,295 Increase to \$2.1 million for 2003  
 43 \*

1,000  
 377  
 67 \*  
 20  
 607  
 41

\$ 25,319

5,000 Professional  
 1,500 FFP/SSP Corp portion

31,800 Revised 2003 forecast

Need \$25,250 per month  
 POW 20m Kopp  
 or \$9mm for year  
 plus say \$1mm for Alex Roden  
 = \$10mm v. \$6mm  
 increase \$4mm

19.1 Prior - Feb BOD  
 1.4 L & net restructuring revision  
 1.5 Senior mgmt adds  
 1.3 D&O increase  
 1.5 FFP/SSP  
 6.0 Professional/Legal  
 .6 MFM admin.  
 .4 other corrections/misc

31.8

6.8 additional D&O - on June 1st  
 (1.0) less Substance review  
 4.0 additional legal

41.6

31.7  
 1.5  
 38.57

41.6

3.03

\$8/legal





**NORTHWESTERN CORPORATION**  
**Financial Summary - Confidential - Subject to Revision**  
**For the Years Ended 2003-2008**  
**(In Millions)**

BALANCE SHEET							
	2003	2004	2005	Projected			
	Prelim	Plan	Plan	2006	2007	2008	
<b>ASSETS</b>							
Available Cash	\$ 15.2	\$ 35.3	\$ 37.7	\$ 36.1	\$ 33.8	\$ 33.5	
Restricted Cash	27.9	27.0	27.0	27.0	27.0	27.0	
Total Cash	42.2	62.4	64.7	63.1	60.8	60.5	
Other Curr Assets	227.5	221.0	206.3	206.6	210.2	210.8	
Current Assets	279.5	283.4	274.0	272.7	271.0	271.4	
PP&E, net	1,392.7	1,396.7	1,364.4	1,362.0	1,359.2	1,358.4	
Goodwill	375.6	375.6	375.6	375.6	375.6	375.6	
Investment in Subs	84.9	-	-	-	-	-	
Other Investments	11.0	11.0	11.0	11.0	11.0	11.0	
Other Assets	423.1	396.7	368.5	377.8	376.5	373.2	
Noncurrent Assets	2,301.5	2,186.2	2,137.8	2,128.6	2,121.6	2,118.4	
Total Assets	\$ 2,581.0	\$ 2,470.8	\$ 2,411.8	\$ 2,399.3	\$ 2,392.7	\$ 2,389.8	
<b>LIABILITIES &amp; EQUITY</b>							
Current Liabilities	\$ 238.6	\$ 215.1	\$ 232.6	\$ 261.6	\$ 297.5	\$ 335.7	
Secured Debt	919.4	907.4	763.7	709.3	654.2	598.8	
Sec. Debt - DIP	-	-	-	-	-	-	
Unsecured Debt	1,236.4	-	-	-	-	-	
Other Liabilities	767.2	734.8	703.5	877.4	845.1	809.9	
Total Liabilities	\$ 3,156.6	\$ 2,757.2	\$ 2,000.8	\$ 1,848.4	\$ 1,598.6	\$ 1,544.1	
Equity	(575.6)	676.4	711.0	751.0	793.8	843.8	
Total Liab & Equity	\$ 2,581.0	\$ 2,433.6	\$ 2,411.8	\$ 2,399.3	\$ 2,392.7	\$ 2,389.8	

Debt as a % of Capitalization	54.4%	51.8%	48.8%	45.1%	41.5%	
Equity as a % of Capitalization	45.6%	48.2%	51.4%	54.9%	58.5%	
Net Debt to EBITDA	3.85x	3.34x	2.96x	2.70x	2.43x	
* Adjusted to include OF Liability in Debt						
Debt as a % of Capitalization	58.4%	56.1%	53.4%	50.6%	47.6%	
Equity as a % of Capitalization	41.6%	43.9%	46.6%	49.4%	52.4%	
Net Debt to EBITDA	4.33x	4.00x	3.65x	3.40x	3.14x	
Debt to EBITDA*	3.82x	3.51x	3.14x	2.85x	2.57x	
OF Liability	142.8	146.4	150.9	156.2	166.4	

INCOME STATEMENT							
	2003	2004	2005	Projected			CAGR
	Prelim	Plan	Plan	2006	2007	2008	
Revenues	\$ 1,027.4	\$ 1,032.6	\$ 1,048.6	\$ 1,081.4	\$ 1,074.1	\$ 1,067.0	1.2%
Cost of Sales	(500.6)	(501.8)	(504.4)	(555.1)	(561.8)	(568.8)	
Gross Margin	478.8	480.7	480.4	488.3	512.3	548.4	1.7%
%	46.4%	47.3%	47.3%	47.7%	47.7%	47.7%	
Operating Expense	(49.1)	(47.6)	(43.8)	(40.6)	(40.1)	(39.5)	-3.3%
G&A	(234.1)	(231.8)	(230.0)	(240.1)	(242.8)	(245.8)	0.8%
Nonrecurring	(44.7)	(28.8)	-	-	-	-	
(327.8)	(306.0)	(282.8)	(280.7)	(282.8)	(285.2)	(285.2)	0.3%
%	31.9%	28.8%	27.0%	26.4%	26.3%	26.2%	
G&A	(70.3)	(72.8)	(73.2)	(73.9)	(74.7)	(75.4)	1.0%
Operating Income	78.7	108.8	144.4	151.7	164.7	157.8	3.6%
Interest Expense	(139.8)	(58.5)	(32.0)	(48.6)	(45.1)	(41.4)	
Int Exp - non cash	(22.8)	(23.2)	(21.4)	(20.5)	(18.3)	(17.3)	
Other Income	(2.7)	1.8	1.8	1.8	1.8	1.8	
Income before taxes	(86.6)	29.8	72.8	84.1	94.6	100.8	
Tax Benefit (provision)	1.3	(1.4)	(3.6)	(4.2)	(4.7)	(5.0)	
Net Income	\$ (85.3)	\$ 27.6	\$ 69.2	\$ 79.3	\$ 89.8	\$ 95.7	11.4%
%	-8.3%	2.7%	6.5%	7.3%	8.4%	8.9%	
EBITDA	148.9	192.7	217.6	225.8	228.4	232.2	2.3%
%	14.5%	17.7%	20.7%	21.3%	21.4%	21.4%	
EBITDA before restr.	183.8	211.3	217.6	225.8	228.4	232.2	2.3%
%	18.0%	20.5%	20.7%	21.3%	21.4%	21.4%	

Return on Avg Equity	n/a	10.0%	10.9%	11.6%	11.7%	
Return on Invested Capital	n/a	4.6%	5.3%	6.1%	6.0%	
EBIT Interest Coverage	1.87x	1.97x	2.19x	2.50x	2.68x	
EBIT Cash Interest Coverage	2.55x	2.78x	3.10x	3.43x	3.81x	
* Adjusted to add back nonrecurring professional and restructuring expense						
G&A Expense to Margin	15.5%	8.8%	8.0%	7.8%	7.4%	
G&A Expense to Margin	47.2%	47.8%	47.4%	47.4%	47.4%	
Total Expense to Margin	62.8%	56.5%	55.4%	55.2%	55.0%	
EBITDA* Interest Coverage	2.55x	2.97x	3.25x	3.70x	3.96x	
Return on Avg Equity		10.0%	10.9%	11.6%	11.7%	
EBIT Interest Coverage		1.97x	2.18x	2.50x	2.68x	
EBIT Cash Interest Coverage		2.78x	3.10x	3.43x	3.81x	

CASH FLOW							
	2003	2004	2005	Projected			
	Prelim	Plan	Plan	2006	2007	2008	
Net Income	\$ (85.3)	\$ 27.6	\$ 69.2	\$ 79.3	\$ 89.8	\$ 95.7	
Gain on Sale of Assets	-	-	-	-	-	-	
Noncash Items	262.1	71.8	73.2	74.7	75.1	75.9	
Working Capital	(117.2)	18.1	9.3	9.7	4.8	3.7	
CF from Operations	(119.5)	117.6	151.7	164.3	169.6	175.1	
Capital Expenditures	(70.7)	(76.7)	(71.0)	(71.5)	(72.0)	(72.5)	
Restricted Cash	(0.0)	-	-	-	-	-	
Other, net	54.7	120.0	-	-	-	-	
Free Cash Flow	(126.5)	160.8	80.7	82.8	87.6	102.8	
Common Dividends	-	(8.7)	(34.8)	(40.0)	(44.8)	(47.9)	
Debt Issu (Debt), net	115.1	(132.0)	(43.7)	(54.4)	(55.1)	(55.3)	
Inc/Dec in Cash	(11.4)	20.1	2.4	(1.8)	(2.3)	(0.3)	
Beginning Cash	26.8	15.2	35.3	37.7	38.1	32.8	
Ending Cash	\$ 15.2	\$ 35.3	\$ 37.7	\$ 36.1	\$ 33.8	\$ 33.5	

CF from Op* / Debt	16.1%	18.8%	23.2%	25.9%	29.3%	
CF from Op* / Debt of Liability	15.4%	16.7%	18.1%	20.9%	22.0%	
Dividend Payout	-	50.0%	50.0%	50.0%	50.0%	
* Adjusted to add back nonrecurring professional and restructuring expense						
FFO to Interest	2.4x	3.1x	3.4x	3.7x	4.0x	
FFO / Margin	34%	30%	32%	33%	34%	
FFO / Debt	14.5%	19.9%	23.2%	25.9%	28.3%	
FFO - Div / Cap Ex	1.4x	1.8x	1.7x	1.7x	1.8x	
Dividend Payout	-	50.0%	50.0%	50.0%	50.0%	

Refi when due

2/24/2004

NorthWestern Corporation  
 2004 Business Plan  
 Final Revisions Subsequent to February 15, 2004 Update  
 February 23, 2004

DRAFT FOR DISCUSSION

Revisions to Plan - Subsequent to February 15, 2004 Update														
		2004 Budget					2005		2006		2007		2008	
Impact in Millions	Notes	EBITDA	Pre-Tax	Net Income	Cap Ex	Cash Flows	EBITDA	Cash	EBITDA	Cash	EBITDA	Cash	EBITDA	Cash
Proposed Revisions to Plan														
1 Colstrip 4 lease expense - assume no reduction - MT		\$ (4.0)	\$ (4.0)	\$ (4.0)		\$ (4.0)	\$ (4.0)	\$ (4.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Rejected Non-Qualified Retirement Plans - MT		0.3	0.3	0.3		0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
3 Rejected Non-Qualified Retirement Plans - SD		0.9	0.9	0.9		0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
4 Revised Pension Funding Assumptions - MT		9.5	9.5	9.5		9.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
5 Revised Pension Funding Assumptions - SD		0.3	0.3	0.3		1.3	0.3	1.3	0.3	1.3	0.3	1.3	0.3	1.3
6 Interest savings from debt paydown						-		1.3		4.0		7.5		10.8
7 Other plan and working capital revisions						0.5	2.2	0.8				(0.6)		(0.1)
8 Tax accrual/cash (5% effective rate on above revisions)				(0.3)		(0.3)				(0.3)		(0.4)		(0.6)
9 Common dividends increase due to increased income						(0.2)		(0.7)		(2.8)		(4.3)		(6.1)
10 MFM proceeds - \$45M in June, change to \$30M to June	(1)		(15.0)	(15.0)		(15.0)								
11 Debt paydown with excess cash								(30.0)		(50.0)		(50.0)		(50.0)
Total Impact to Plan		\$ 7.0	\$ (8.0)	\$ (8.3)	\$ -	\$ (7.0)	\$ -	\$ (29.8)	\$ 1.8	\$ (46.3)	\$ 1.8	\$ (45.0)	\$ 1.8	\$ (43.2)
						Note (1&2)								

Notes:

(1) Current expectation of total assets sales = \$120M

	2004 Budget					EBITDA	Cash	EBITDA	Cash	EBITDA	Cash	EBITDA	Cash
	EBITDA	Pre-Tax	NI	Cap Ex	Cash Flows								
Existing Plan (2-16-04 Update)	\$ 175.7	\$ 37.0	\$ 35.9	\$ 76.7	\$ 27.0	\$ 217.6	\$ 32.2	\$ 223.8	\$ 44.7	\$ 227.6	\$ 42.7	\$ 231.3	\$ 42.9
Final Revisions	7.0	(8.0)	(8.3)	-	(7.0)	-	(29.8)	1.8	(46.3)	1.8	(45.0)	1.8	(43.2)
Proposed Budget	\$ 182.7	\$ 29.0	\$ 27.7	\$ 76.7	\$ 20.1	\$ 217.6	\$ 2.4	\$ 225.6	\$ (1.6)	\$ 229.4	\$ (2.3)	\$ 233.1	\$ (0.3)





	Credit Metrics				
	2004	2005	Projected		
	Plan	Plan	2006	2007	2008
Debt as a % of Capitalization	55.2%	52.5%	49.2%	45.7%	41.9%
Funds from Operations to Interest	2.2x	3.4x	3.7x	4.0x	4.2x
Funds from Operations to Debt	14.7%	20.0%	23.2%	26.1%	29.5%
FFO - Dividends / Cap Ex	1.4x	1.6x	1.7x	1.8x	1.8x
Return on Avg Equity	n/a	11.5%	12.1%	12.1%	12.1%

2/23/2004

2004 CASH FLOWS BY QUARTER					
\$ in Millions	Q1	Q2	Q3	Q4	2004 Plan
Net Income	\$ 14.6	\$ (8.0)	\$ (16.8)	\$ 24.2	\$ 13.9
Gain on Sales of Assets	-	-	-	-	-
Noncash Items	19.0	17.8	17.3	17.1	71.1
Working Capital	30.8	(12.2)	40.0	(23.5)	35.0
Cash Flows from Operations	64.3	(2.4)	40.5	17.7	120.1
Capital Expenditures	(15.9)	(22.8)	(21.1)	(17.0)	(76.7)
Asset Sales Proceeds	20.0	100.0	-	-	120.0
Free Cash Flow	68.5	74.8	19.4	0.7	163.4
Common Dividends Paid	-	-	-	(9.8)	(9.8)
DIP Increase (Paydown), net	-	-	-	-	-
Secured Debt Increase (Paydown), net	(4.1)	(2.8)	(108.6)	(0.7)	(116.2)
Unsecured Debt and TOPS	-	-	(1,272.2)	-	(1,272.2)
New Equity / COD Income	-	-	1,252.2	-	1,252.2
Inc/(Dec) in Cash	64.4	72.0	(109.1)	(9.9)	17.4
Beginning Cash	15.2	79.6	151.8	42.4	15.2
Ending Cash	\$ 79.6	\$ 151.6	\$ 42.4	\$ 32.6	\$ 32.6
Note: Cash Balance at 1/31/04 = \$38 million					
DIP Credit Commitment *	85.0	85.0	75.0	75.0	75.0
Outstanding Draw	-	-	-	-	-
LCs Outstanding	(15.0)	(10.0)	(10.0)	(10.0)	(10.0)
DIP Availability *	70.0	75.0	65.0	65.0	65.0
Liquidity (Cash + DIP Availability)	\$ 149.6	\$ 226.6	\$ 107.4	\$ 97.6	\$ 97.6

\* Assumes credit facility is reduced and extended in Q3.

[illegible]

**MARTIN POWER**

**Appendix 2**

NOTES: 1. 2001-2002 Season. 2. 2003-2004 Season. 3. 2005-2006 Season. 4. 2007-2008 Season. 5. 2009-2010 Season. 6. 2011-2012 Season. 7. 2013-2014 Season. 8. 2015-2016 Season. 9. 2017-2018 Season. 10. 2019-2020 Season. 11. 2021-2022 Season. 12. 2023-2024 Season. 13. 2025-2026 Season. 14. 2027-2028 Season. 15. 2029-2030 Season. 16. 2031-2032 Season. 17. 2033-2034 Season. 18. 2035-2036 Season. 19. 2037-2038 Season. 20. 2039-2040 Season. 21. 2041-2042 Season. 22. 2043-2044 Season. 23. 2045-2046 Season. 24. 2047-2048 Season. 25. 2049-2050 Season. 26. 2051-2052 Season. 27. 2053-2054 Season. 28. 2055-2056 Season. 29. 2057-2058 Season. 30. 2059-2060 Season. 31. 2061-2062 Season. 32. 2063-2064 Season. 33. 2065-2066 Season. 34. 2067-2068 Season. 35. 2069-2070 Season. 36. 2071-2072 Season. 37. 2073-2074 Season. 38. 2075-2076 Season. 39. 2077-2078 Season. 40. 2079-2080 Season. 41. 2081-2082 Season. 42. 2083-2084 Season. 43. 2085-2086 Season. 44. 2087-2088 Season. 45. 2089-2090 Season. 46. 2091-2092 Season. 47. 2093-2094 Season. 48. 2095-2096 Season. 49. 2097-2098 Season. 50. 2099-2100 Season. 51. 2101-2102 Season. 52. 2103-2104 Season. 53. 2105-2106 Season. 54. 2107-2108 Season. 55. 2109-2110 Season. 56. 2111-2112 Season. 57. 2113-2114 Season. 58. 2115-2116 Season. 59. 2117-2118 Season. 60. 2119-2120 Season. 61. 2121-2122 Season. 62. 2123-2124 Season. 63. 2125-2126 Season. 64. 2127-2128 Season. 65. 2129-2130 Season. 66. 2131-2132 Season. 67. 2133-2134 Season. 68. 2135-2136 Season. 69. 2137-2138 Season. 70. 2139-2140 Season. 71. 2141-2142 Season. 72. 2143-2144 Season. 73. 2145-2146 Season. 74. 2147-2148 Season. 75. 2149-2150 Season. 76. 2151-2152 Season. 77. 2153-2154 Season. 78. 2155-2156 Season. 79. 2157-2158 Season. 80. 2159-2160 Season. 81. 2161-2162 Season. 82. 2163-2164 Season. 83. 2165-2166 Season. 84. 2167-2168 Season. 85. 2169-2170 Season. 86. 2171-2172 Season. 87. 2173-2174 Season. 88. 2175-2176 Season. 89. 2177-2178 Season. 90. 2179-2180 Season. 91. 2181-2182 Season. 92. 2183-2184 Season. 93. 2185-2186 Season. 94. 2187-2188 Season. 95. 2189-2190 Season. 96. 2191-2192 Season. 97. 2193-2194 Season. 98. 2195-2196 Season. 99. 2197-2198 Season. 100. 2199-2200 Season. 101. 2201-2202 Season. 102. 2203-2204 Season. 103. 2205-2206 Season. 104. 2207-2208 Season. 105. 2209-2210 Season. 106. 2211-2212 Season. 107. 2213-2214 Season. 108. 2215-2216 Season. 109. 2217-2218 Season. 110. 2219-2220 Season. 111. 2221-2222 Season. 112. 2223-2224 Season. 113. 2225-2226 Season. 114. 2227-2228 Season. 115. 2229-2230 Season. 116. 2231-2232 Season. 117. 2233-2234 Season. 118. 2235-2236 Season. 119. 2237-2238 Season. 120. 2239-2240 Season. 121. 2241-2242 Season. 122. 2243-2244 Season. 123. 2245-2246 Season. 124. 2247-2248 Season. 125. 2249-2250 Season. 126. 2251-2252 Season. 127. 2253-2254 Season. 128. 2255-2256 Season. 129. 2257-2258 Season. 130. 2259-2260 Season. 131. 2261-2262 Season. 132. 2263-2264 Season. 133. 2265-2266 Season. 134. 2267-2268 Season. 135. 2269-2270 Season. 136. 2271-2272 Season. 137. 2273-2274 Season. 138. 2275-2276 Season. 139. 2277-2278 Season. 140. 2279-2280 Season. 141. 2281-2282 Season. 142. 2283-2284 Season. 143. 2285-2286 Season. 144. 2287-2288 Season. 145. 2289-2290 Season. 146. 2291-2292 Season. 147. 2293-2294 Season. 148. 2295-2296 Season. 149. 2297-2298 Season. 150. 2299-2300 Season. 151. 2301-2302 Season. 152. 2303-2304 Season. 153. 2305-2306 Season. 154. 2307-2308 Season. 155. 2309-2310 Season. 156. 2311-2312 Season. 157. 2313-2314 Season. 158. 2315-2316 Season. 159. 2317-2318 Season. 160. 2319-2320 Season. 161. 2321-2322 Season. 162. 2323-2324 Season. 163. 2325-2326 Season. 164. 2327-2328 Season. 165. 2329-2330 Season. 166. 2331-2332 Season. 167. 2333-2334 Season. 168. 2335-2336 Season. 169. 2337-2338 Season. 170. 2339-2340 Season. 171. 2341-2342 Season. 172. 2343-2344 Season. 173. 2345-2346 Season. 174. 2347-2348 Season. 175. 2349-2350 Season. 176. 2351-2352 Season. 177. 2353-2354 Season. 178. 2355-2356 Season. 179. 2357-2358 Season. 180. 2359-2360 Season. 181. 2361-2362 Season. 182. 2363-2364 Season. 183. 2365-2366 Season. 184. 2367-2368 Season. 185. 2369-2370 Season. 186. 2371-2372 Season. 187. 2373-2374 Season. 188. 2375-2376 Season. 189. 2377-2378 Season. 190. 2379-2380 Season. 191. 2381-2382 Season. 192. 2383-2384 Season. 193. 2385-2386 Season. 194. 2387-2388 Season. 195. 2389-2390 Season. 196. 2391-2392 Season. 197. 2393-2394 Season. 198. 2395-2396 Season. 199. 2397-2398 Season. 200. 2399-2400 Season. 201. 2401-2402 Season. 202. 2403-2404 Season. 203. 2405-2406 Season. 204. 2407-2408 Season. 205. 2409-2410 Season. 206. 2411-2412 Season. 207. 2413-2414 Season. 208. 2415-2416 Season. 209. 2417-2418 Season. 210. 2419-2420 Season. 211. 2421-2422 Season. 212. 2423-2424 Season. 213. 2425-2426 Season. 214. 2427-2428 Season. 215. 2429-2430 Season. 216. 2431-2432 Season. 217. 2433-2434 Season. 218. 2435-2436 Season. 219. 2437-2438 Season. 220. 2439-2440 Season. 221. 2441-2442 Season. 222. 2443-2444 Season. 223. 2445-2446 Season. 224. 2447-2448 Season. 225. 2449-2450 Season. 226. 2451-2452 Season. 227. 2453-2454 Season. 228. 2455-2456 Season. 229. 2457-2458 Season. 230. 2459-2460 Season. 231. 2461-2462 Season. 232. 2463-2464 Season. 233. 2465-2466 Season. 234. 2467-2468 Season. 235. 2469-2470 Season. 236. 2471-2472 Season. 237. 2473-2474 Season. 238. 2475-2476 Season. 239. 2477-2478 Season. 240. 2479-2480 Season. 241. 2481-2482 Season. 242. 2483-2484 Season. 243. 2485-2486 Season. 244. 2487-2488 Season. 245. 2489-2490 Season. 246. 2491-2492 Season. 247. 2493-2494 Season.

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FORM 9-87 (Rev. 10-1-86) (Instructions on back of form)

**PLATE 4 POSITION**

1

NOR006215







NAME	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	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**Section 9**

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**Order Number:**

bioRxiv preprint doi: <https://doi.org/10.1101/007114>; this version posted April 19, 2014.

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## **EXHIBITS 36 - 38**

**REDACTED IN THEIR ENTIRETY**